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You are reminded that the Offering Circular and the information contained in it are subject to completion and/or amendment, which may be material, without notice.

Nothing in this electronic transmission constitutes an offer of, or an invitation to acquire, or the solicitation of an offer to purchase or subscribe for any of the Notes, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Offering Circular has not been approved by the competent authority in any Member State of the European Economic Area which has implemented Directive 2003/71/EC (the “**Prospectus Directive**”).

The Offering Circular may only be communicated or caused to be communicated, in the United Kingdom, to a person in circumstances specified in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer.

The Offering Circular may not be communicated or distributed to persons outside the United Kingdom other than persons to whom it may be communicated or distributed lawfully without any further action on the part of any person and in accordance with all applicable securities laws.

**GREENE KING FINANCE plc**

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

**£290,000,000 Class A5 Secured Floating Rate Notes due 2033 Issue Price: 99.95 per cent.**  
**£60,000,000 Class AB1 Secured Floating Rate Notes due 2036 Issue Price: 99.95 per cent.**

**Prospectus**

This Offering Circular constitutes a Prospectus for the purpose of Directive 2003/71/EC (the “**Prospectus Directive**”).

**Application to the Irish Stock Exchange**

Application has been made to the Irish Financial Services Regulatory Authority (“**IFSR**”), as competent authority under the Prospectus Directive, for this Offering Circular to be approved. Application has been made to the Irish Stock Exchange Limited (the “**Stock Exchange**”) for £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**”, together with the Class A5 Notes, the “**Third 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 Third Issue Notes are expected to be issued on or about 30 June, 2008 (or such later date as may be agreed by the Issuer, the Lead Manager (as defined below), the Note Trustee (as defined below) and the Principal Paying Agent (as defined below)) (the “**Third 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**”) which 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**”). The Original Notes and the Second Issue Notes together with the Third 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 as further amended and restated on or about the Third Closing Date).

**Details of the Third Issue Notes**

The Class A5 Notes (which together with the Class A1 Notes, the Class A2 Notes, the Class A3 Notes and the Class A4 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 or the Class A4 Notes but will rank *pari passu* with the Class A1 Notes, the Class A2 Notes, the Class A3 Notes and the Class A4 Notes. The Class AB1 Notes 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 Third 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 Offering Circular. It should be noted, in particular, that the Third Issue Notes will not be obligations or responsibilities of, and will not be guaranteed by, the Arranger, the Lead Manager, the Issuer Security Trustee, the Note Trustee, the Paying Agents, the Agent Bank, the Swap Counterparty, the Liquidity Facility Provider, 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 to the Other Parties.

**Ratings**

The Class A5 Notes are expected upon issue to be rated “A” 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 AB1 Notes are expected upon issue to be rated “BBB+” by Fitch and “BBB+” by S&P. **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 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.**

**Risk Factors**

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

Each person contemplating making an investment in the Third 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 Third Issue Notes should consult its own independent professional advisors.

*Arranger and Lead Manager*

**The Royal Bank of Scotland plc**

Offering Circular dated 26 June, 2008

## **Responsibility Statement**

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer the information contained in this Offering Circular 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 Offering Circular relating to each of its businesses and to the sections entitled “*Description of the Business*”, “*Management*” and “*Summary 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 accuracy of such information.

## **Representations about the Third Issue Notes**

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

None of the Arranger, the Lead Manager, 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 Lead Manager, the Paying Agents, the Agent Bank, the Swap Counterparty, the Liquidity Facility Provider, 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 Offering Circular or any other information supplied in connection with the Third Issue Notes or their distribution. The statements in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this Offering Circular acknowledges that such person has not relied on the Arranger, the Lead Manager, the Paying Agents, the Agent Bank, the Swap Counterparty, the Liquidity Facility Provider, 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.

## **Financial condition of the Issuer, the Securitisation Group and the GK Group**

Neither the delivery of this Offering Circular nor the offer, sale, allocation, solicitation or delivery of any Third 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 Offering Circular.

## **Summary of Selling Restrictions**

The distribution of this Offering Circular and the offer, sale and delivery of the Third 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 Third 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 Offering Circular (or any part hereof) comes are required by the Issuer and the Lead Manager to inform themselves about, and to observe, any such restrictions.

This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy the Third Issue Notes and neither this Offering Circular 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 Third Issue Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any part hereof or any other offering circular, 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 Third Issue Notes 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 Third Issue Notes in bearer form that are subject to United States tax law requirements. The Third Issue Notes are being offered outside the United States by the Lead Manager in accordance with Regulation S under the Securities Act, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

For a description of certain restrictions on offers, sales and deliveries of the Third Issue Notes and on distribution of this Offering Circular, see the section entitled “*Subscription and Sale*” below.

### **Currency**

In this Offering Circular, 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 Third Issue Notes, The Royal Bank of Scotland plc (the “**Stabilising Manager**”) (or any person acting for the Stabilising Manager) may over-allot Third Issue Notes (provided that the aggregate principal amount of Third Issue Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the Third Issue Notes) or effect transactions with a view to supporting the market price of the Third Issue 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 Third Issue 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 Third Issue Notes and 60 days after the date of the allotment of the Notes.

### **Interpretation**

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

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## 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 Offering Circular provided that any statement contained in any document incorporated by reference in, and forming part of, this Offering Circular shall be deemed to be modified or superseded for the purposes of this Offering Circular 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 financial statements and the auditors' report for the Issuer for the years ended 30 April, 2006 and 29 April, 2007. The financial statements and the auditors' report for the Issuer for the years ended 30 April, 2006 and 29 April, 2007 were filed with the Stock Exchange on 30 April, 2007 and 30 November, 2007 respectively. 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 Year ended 30 April, 2006*

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#### *Financial Statements for the Year ended 29 April, 2007*

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## SUMMARY

*The following is a summary of the transaction. This summary 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 Offering Circular.*

### **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 remained and as at the Third 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 other than Greene King Retailing (No. 2) Limited (“**GKRNo.2**”). 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, such that the Securitisation Group beneficially owned 1,705 pubs as at the Second Closing Date. Since the Second Closing Date and prior to the Third Closing Date, the Initial Borrower has acquired the beneficial ownership of 89 pubs and disposed of the beneficial ownership of 81 pubs, with a further disposal of the beneficial ownership of 106 pubs to occur on or about the Third Closing Date. In addition, on the Third Closing Date the Initial Borrower will acquire the beneficial ownership of a further 428 pubs (the freehold, heritable and leasehold property interests to be transferred into the Securitisation Group on the Third Closing Date being referred to herein as the “**Further Mortgaged Properties**”) resulting in the Securitisation Estate comprising 2,035 pubs as at the Third Closing Date. The Initial Borrower (and any Additional Borrowers), the Securitisation Group Parent and the Sapphire Companies (who are subsidiaries of the Initial Borrower that own certain interests in the Mortgaged Properties and in respect of which further details are set out in the section entitled “*Summary Details of Key Member Companies of the Greene King Group – Companies within the Securitisation Group*” below) are referred to in this Offering Circular as the “**Obligors**”. 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 as at the Third Closing Date*” below for a diagrammatic representation of the corporate structure of the companies within the Securitisation Group.

### **GKRNo.2**

GKRNo.2 is a wholly owned subsidiary of the Initial Borrower. However, GKRNo.2 is not a member of the Securitisation Group and has, save for certain outstanding intra-group balances, been dormant since the First Closing Date. It is intended that GKRNo.2 may, at any time after the Third Closing Date (but subject to certain conditions precedent (including an appropriate tax opinion) being delivered to the satisfaction of the Borrower Security Trustee, the date upon which such conditions precedent are satisfied and GKRNo.2 is released from its obligations being the “**GKRNo.2 Release Date**”), be released from all of its obligations under the Transaction Documents to which it is then a party. On the GKRNo.2 Release Date, GKRNo.2 will cease to be a party to any Transaction Documents and the shares of GKRNo.2 will be released from the security granted by the Initial Borrower to the Borrower Security Trustee. Thereafter, either the shares in GKRNo.2 held by the Initial Borrower will be transferred to another member of the Greene King Group or proceedings for the winding-up of GKRNo.2 will be commenced.

### **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**”).

## **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, and will be further amended on or about the Third Closing Date to provide for, *inter alia*, the issue of the Third Issue Notes and the advance of the Third Term Advances. In particular, the Tax Deed of Covenant as entered into on the First Closing Date and as amended on the Second Closing Date will be further amended, *inter alia*, to permit 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 Third 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 as further amended and restated on or about the Third 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 and Use of Proceeds**

On or about 30 June, 2008 (or such later date as may be agreed between the Issuer and The Royal Bank of Scotland plc (in such capacity, the “**Arranger**”)) (the “**Third Closing Date**”), the Issuer will lend the gross proceeds of the issuance of the Third Issue Notes to the Initial Borrower by way of Third Term Advances pursuant to the Issuer/Borrower Facility Agreement, as amended and restated on the Third Closing Date. The maturity date and loan payment dates in respect of each Third Term Advance will correspond to the class of Third Issue Notes that funded such Third Term Advance.

### **Source of Funds for Payments on the Third Issue Notes**

The payment of interest and repayment of principal by the Initial Borrower in respect of the Term Advances (including the Third 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 Third Issue Notes (and the other Notes).

The Issuer/Borrower Facility Agreement will provide that any net payment to be made by the Issuer to the Initial Borrower under the terms of the Issuer/Borrower Swap Agreement on any Interest Payment Date will be set off against the Initial Borrower’s obligation to make floating rate interest payments in respect of the Third Term A5 Advance and in respect of the Third Term AB1 Advance on the corresponding Loan Payment Date. If a net payment is to be made by the Initial Borrower to the Issuer under the terms of the Issuer/Borrower Swap Agreement this will be payable by the Initial Borrower to the Issuer on the relevant Loan Payment Date in addition to the floating rate interest payable by it on such Loan Payment Date under the Issuer/Borrower Facility Agreement. Accordingly, when taken together, the payments under the Issuer/Borrower Swap Agreement and the payments of interest under the Issuer/Borrower Facility Agreement will result in the Initial Borrower making fixed rate payments to the Issuer on each Loan Payment Date in respect of the Third Term A5 Advance and the Third Term AB1 Advance.

In the event that the Issuer has insufficient funds to make payments on the Third 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 Facility.

### **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 as at the Third Closing Date*" 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 Third Issue Notes will be on the Third 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.

### **Hedging**

On the First Closing Date, the Issuer entered into the Interest Rate Swap Agreement with 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 the Swap Counterparty under the 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. In addition, the Issuer will on the Third Closing Date enter into further transactions with the Swap Counterparty under the 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.

### **Valuation of Securitisation Estate**

A valuation report dated 26 June, 2008 (the "**Valuation Report**") issued by Gerald Eve of 7 Vere Street, London W1G 0JB (the "**Valuer**") 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 £2,123,000,000 as at 1 May, 2008, being the date of the valuation set out in the Valuation Report.

For a diagrammatic overview of the transaction described in this Offering Circular, see the section entitled “*Diagrammatic Overview of the Transaction*” below.

## 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. Following a number of acquisitions and disposals the Securitisation Estate as at the date of this Offering Circular stands at 1,713 pubs. A further 428 pubs will be acquired by the Initial Borrower on the Third Closing Date and 106 pubs will be disposed of from the Securitisation Estate on the Third Closing Date. The Securitisation Estate on the Third Closing Date will comprise a total of 2,035 pubs of which 1,500 are tenanted and 535 are managed. The following table sets forth certain unaudited, financial information for the 2,035 pubs that will comprise the Securitisation Estate on the Third Closing Date on an aggregated basis for the 52 weeks ended 30 April, 2006, the 52 weeks ended 29 April, 2007 and the 24 weeks ended 14 October, 2007.

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

	52 weeks ended 30 April, 2006 £m	52 weeks ended 29 April, 2007 £m	24 weeks ended 14 October, 2007 £m
Turnover .....	507.3	544.4	259.4
Cost of sales .....	(162.0)	(172.3)	(80.4)
Gross profit .....	345.3	372.1	179.0
House operating costs .....	(177.4)	(184.9)	(87.7)
Aggregated operating profit .....	167.9	187.1	91.3
Number of tenanted pubs .....	1,275	1,429	1,452
Number of managed pubs .....	552	556	537

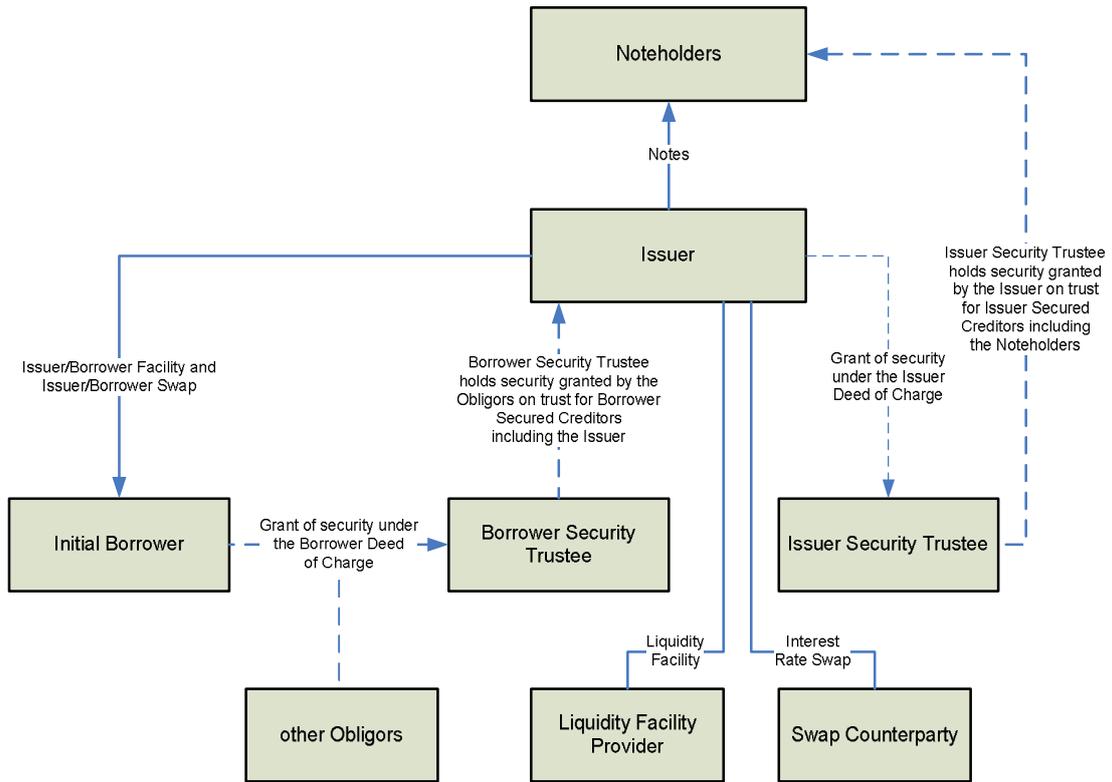
### Notes to the unaudited, aggregated financial information for the pubs which will comprise the Securitisation Estate on the Third Closing Date

1. The unaudited, aggregated financial information has been prepared by aggregating the relevant financial information in respect of the pubs which from the Third Closing Date will comprise the Securitisation Estate.
2. For the 24 weeks ended 14 October, 2007, the unaudited, aggregated financial information has been extracted from the unaudited financial information of the GK Group.
3. The unaudited, aggregated financial information above includes directly attributable overheads only and excludes all central services and head office related overheads.
4. Pub numbers show the position at the end of each period. Pubs transferred from managed to tenanted were 24 and 15 during the 52 weeks ended 30 April, 2006 and 29 April, 2007 respectively, 19 during the 24 weeks ended 14 October, 2007 and 3 during the period between 14 October, 2007 and the Third Closing Date. 1 pub was transferred from tenanted to managed during the 52 week period ended 29 April, 2007 and one pub was transferred from tenanted to managed during the period between 14 October, 2007 and the Third Closing Date.
5. 60 pubs were acquired as part of Greene King's acquisition of Riddleys on 4 July, 2005. The financial information in respect of these pubs was integrated with the Greene King systems with effect from 13 November, 2006 and the unaudited aggregate financial information set out above only includes financial information in respect of these pubs from such date of integration.
6. 182 pubs were acquired as part of Greene King's acquisition of Belhaven on 2 October, 2005. Belhaven have subsequently acquired a number of pubs of which a further 31 pubs together

with a further pub which was transferred from Green King's existing managed estate will be transferred to the Securitisation Estate on the Third Closing Date. The unaudited aggregated financial information set out above only includes financial information in respect of these pubs from the date of their acquisition.

7. 143 pubs were acquired as part of Greene King's acquisition of Hardys & Hansons on 5 September, 2006. The financial information in respect of these pubs was integrated with the Greene King systems with effect from 13 November, 2006 and the unaudited aggregated financial information set out above only includes financial information in respect of these pubs from such date of integration.
8. 41 pubs were acquired as part of Greene King's acquisition of New Century Inns in November 2007. No data is included in the above unaudited aggregated financial information in respect of these pubs and these pubs are not reflected in the pub numbers stated as at 14 October, 2007.
9. The number of tenanted pubs that will be acquired on the Third Closing Date also includes 5 pubs acquired individually by Belhaven after 14 October, 2007. These pubs are not reflected in the pub numbers stated as at 14 October, 2007.

## DIAGRAMMATIC OVERVIEW OF THE TRANSACTION





## SUMMARY OF THE TERMS AND CONDITIONS OF THE THIRD ISSUE NOTES, SECOND ISSUE NOTES AND ORIGINAL NOTES AND RELATED MATTERS

*The following is only a summary 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 Offering Circular.*

### *Key characteristics of the Notes*

	<b>Class A1 Notes</b>	<b>Class A2 Notes</b>	<b>Class A3 Notes</b>	<b>Class A4 Notes</b>	<b>Class A5 Notes</b>	<b>Class AB1 Notes</b>	<b>Class B1 Notes</b>	<b>Class B2 Notes</b>
<b>Issue Price</b>	100%	100%	100%	99.997%	99.95%	99.95%	100%	100%
<b>Denomination of Notes</b>	£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	£50,000 and higher integral multiples of £1,000, up to and including £99,000	£50,000 and in increments above £50,000 of £1,000	£50,000 and in increments above £50,000 of £1,000
<b>Aggregate Principal Amount on Issue</b>	£150,000,000	£320,000,000	£170,000,000	£265,000,000	£290,000,000	£60,000,000	£130,000,000	£115,000,000
<b>Interest Rate</b>	3-month LIBOR <sup>1</sup> 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 <sup>2</sup> 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 <sup>3</sup> plus a margin of 1.00% per annum	3-month LIBOR <sup>3</sup> plus a margin of 2.10% 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 <sup>2</sup> 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
<b>Step-Up Fee</b>	N/A	N/A	N/A	N/A	1.50% from the Interest Payment Date falling in June 2013	3.15% from the Interest Payment Date falling in June 2013	N/A	N/A
<b>Payment Dates for Interest and Principal Payments</b>	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 Period being from (and including) the First Closing Date to (but excluding) 15 June, 2005	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 Period being from (and including) the First Closing Date to (but excluding) 15 June, 2005	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 Second Closing Date to (but excluding) 15 June, 2006	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 Second Closing Date to (but excluding) 15 June, 2006	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 Interest Period being from (and including) the Third Closing Date to (but excluding) 15 September, 2008	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 Interest Period being from (and including) the Third Closing Date to (but excluding) 15 September, 2008	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 Period being from (and including) the First Closing Date to (but excluding) 15 June, 2005	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 Second Closing Date to (but excluding) 15 June, 2006
<b>Final Maturity Date</b>	June 2031	September 2031	September 2021	March 2034	December 2033	March 2036	December 2034	March 2036
<b>Expected</b>	7 years	16.8 years	6.0 years	22.3 years	4.74 years	4.96 years	15 years	7.1 years

	Class A1 Notes	Class A2 Notes	Class A3 Notes	Class A4 Notes	Class A5 Notes	Class AB1 Notes	Class B1 Notes	Class B2 Notes
<b>Average Life<sup>4</sup></b>								
<b>Expected Maturity Date<sup>4</sup></b>	March 2012	September 2031	June 2013	March 2034	June 2013	June 2013	March 2020	June 2013
<b>Frequency of Scheduled Mandatory Redemption</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)
<b>Early Redemption Price</b>	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	Par	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
<b>Interest Accrual Method</b>	Actual/365	Actual/Actual	Actual/365	Actual/Actual	Actual/365	Actual/365	Prior to the Interest Payment Date falling in March 2020 Actual/Actual and thereafter Actual/365	Actual/365
<b>Frequency of Payment of Interest</b>	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
<b>Form of Notes at Issue</b>	Bearer Form	Bearer Form	Bearer Form	Bearer Form	Bearer Form	Bearer Form	Bearer Form	Bearer Form
<b>Clearing System</b>	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
<b>Credit Enhancement<sup>5</sup> (provided by other classes of Notes subordinated to the relevant class)</b>	Subordination of the Class AB1 Notes and Class B Notes	Subordination of the Class AB1 Notes and Class B Notes	Subordination of the Class AB1 Notes and Class B Notes	Subordination of the Class AB1 Notes and Class B Notes	Subordination of the Class AB1 Notes and Class B Notes	Subordination of the Class AB1 Notes and Class B Notes	Nil	Nil
<b>Application for Exchange Listing</b>	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland
<b>ISIN</b>	XS0213357972	XS0213358350	XS0252912471	XS0252914923	XS0372045798	XS0372047141	XS0213358608	XS0252915730
<b>Common Code</b>	021335797	021335835	025291247	025291492	037204579	037204714	021335860	025291573
<b>Rating/ Expected Rating – S&amp;P<sup>6</sup></b>	A	A	A	A	A	BBB+	BBB	BBB
<b>Rating/ Expected Rating Fitch<sup>6</sup></b>	A	A	A	A	A	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. Expected Average Life for each Class of Notes is calculated from the relevant date of issuance and assumes that the Class A1 Notes, Class A3 Notes, Class A5 Notes, Class AB1 Notes, Class B1 Notes and Class B2 Notes are redeemed on the relevant Step-Up Date and that there is no other early redemption in respect of any Notes.
5. Provided that, in certain circumstances, the Class AB1 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).
6. No rating is given in respect of Step-Up Amounts or payments in respect of redemption premia.

## Further Characteristics of the Notes

### *The Third Issue Notes*

On the Third Closing Date, the Issuer will issue £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**”).

### *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 Offering Circular 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**”).

### *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 Third 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 AB1 Notes; and
- (c) third, *pro rata* and *pari passu* amongst themselves, the Class B Notes.

The holders of the Class AB1 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 AB1 Notes (including all amounts payable on the relevant Interest Payment Date in respect of the Interest Rate Swap Agreement (other than any Swap Subordinated Amounts), the Liquidity Facility Agreement (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 AB1 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 Agreement (other than any Swap Subordinated Amounts), the Liquidity Facility Agreement (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 AB1 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 AB1 Notes not paid on an Interest Payment Date will itself accrue interest and will be paid to the holders of the Class AB1 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, the Class B1 Notes and the Class B2 Notes or as a result of the application of a Step-Up Fee in respect of the Class A5 Notes and the Class AB1 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 AB1 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. **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 B1 Notes and the Class B2 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 Issuer's obligations to make payments under the Interest Rate Swap Agreement (other than Swap Subordinated Amounts) and the Liquidity Facility Agreement (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 Counterparty, the Cash Manager, the Liquidity Facility Provider and any facility agent and/or arranger under the Liquidity Facility Agreement, 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 will, pursuant to a second supplemental deed of charge to be entered into on or about the Third Closing Date between, *inter alios*, the Issuer and the Issuer Security Trustee (the "**Second Supplemental Issuer Deed of Charge**" and together with the Original Issuer Deed of Charge and the First 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 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).

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 Counterparty under the Interest Rate Swap Agreement, to the Liquidity Facility Provider under the Liquidity Facility Agreement, 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.

***Final Redemption***

Unless previously redeemed in full in accordance with their terms and conditions (the "**Conditions**"), Notes of each class (including the Third 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 Borrower Event of Default but the Notes have not become immediately due and repayable pursuant to Condition 11, the Notes will be subject to 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*", "*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 fewer than 5 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) 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*” 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 AB1 Notes, the Class B1 Notes or the Class B2 Notes, a corresponding portion of the transactions under the Interest Rate Swap Agreement will terminate and a termination payment may be due to the 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 the Swap Counterparty to the Issuer or by the Issuer to the Swap Counterparty under the 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:

- (i) 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 AB1 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
- (ii) 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 AB1 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.

***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 and the Second Issue Notes are governed by English law. The Third 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*

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 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 and delivering legal opinions, constitutional documents, authorisations and 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 Third Closing Date, will include the Further Mortgaged Properties.

***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 (details of which are set out in the section entitled “*Summary Details of Key Member Companies of the Greene King Group – Companies within the Securitisation Group*”) are referred to as the “**Obligors**” and together with the Borrowers and their direct and indirect subsidiaries (other than GKRNo.2) 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 “*Summary 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 Offering Circular 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 as further amended and restated on the Third 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 Third Issue Notes).

***Note Trustee***

HSBC Trustee (C.I.) Limited whose registered office is at 1 Grenville Street, St. Helier, Jersey, JE4 9PF, 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 and 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. The Note Trustee will be appointed pursuant to a second supplemental note trust deed dated the Third Closing Date between the Issuer and the Note Trustee (the “**Second Supplemental Note Trust Deed**”, and together with the Original Note Trust Deed and the First Supplemental Note Trust Deed, the “**Note Trust Deed**”) as trustee to represent the interests of the holders of the Third Issue Notes.

***Issuer Security Trustee***

HSBC Trustee (C.I.) Limited whose registered office is at 1 Grenville Street, St. Helier, Jersey, JE4 9PF, 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 and the First Supplemental Issuer Deed of Charge and will also hold on trust the security granted under the Second 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 1 Grenville Street, St. Helier, Jersey, JE4 9PF, 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 by supplemental mortgages dated 10 August, 2006, 31 March, 2007, 6 September, 2007, 14 March, 2008 and 2 May, 2008 between the Initial Borrower and the Borrower Security Trustee (the “**Initial Borrower Supplemental Mortgages**”) and as the same will be further supplemented by a second supplemental deed of charge (the “**Second Supplemental Borrower Deed of Charge**” and together with the Original

Borrower Deed of Charge, the First 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 Third Closing Date.

***GK Security Trustee***

HSBC Trustee (C.I.) Limited whose registered office is at 1 Grenville Street, St. Helier, Jersey, JE4 9PF, 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 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 Third Closing Date) (the “**Agency Agreement**”).

***Irish Paying Agent***

HSBC Institutional Trust Services (Ireland) Limited acting through its office at HSBC House, Harcourt Centre, Harcourt Street, 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 Provider***

The Royal Bank of Scotland plc, acting through its office at 135 Bishopsgate, London EC2M 3UR (in such capacity, the “**Liquidity Facility Provider**”) currently provides a liquidity facility (the “**Liquidity Facility**”) to the Issuer pursuant to a liquidity facility agreement between, *inter alios*, the Issuer, the Liquidity Facility Provider and the Issuer Security Trustee dated the First Closing Date as amended and restated on the Second Closing Date and which will be further amended and restated on or about the Third Closing Date (such agreement as extended, amended, restated, supplemented and/or novated from time to time including as amended and restated on the Third Closing Date being referred to in this Offering Circular as the “**Liquidity Facility Agreement**”). The Issuer will be required to maintain a liquidity facility with a bank which has ratings assigned to its unsecured, unsubordinated and unguaranteed short term debt obligations of at least “F1” by Fitch and at least “A-1” by S&P (the “**Minimum Short-Term Ratings**”). The Royal Bank of Scotland plc has, on the date of this Offering Circular, the Minimum Short-Term Ratings.

***Swap Counterparty***

The Royal Bank of Scotland plc, acting through its office at 135 Bishopsgate, London EC2M 3UR (in such capacity, the “**Swap Counterparty**”) which expression shall include any other swap counterparty with which the Issuer enters into any Interest Rate Swap Agreement).

On the First Closing Date and the Second Closing Date the Issuer entered into a series of interest rate swap transactions and on or about the Third Closing Date the Issuer will enter into a further series of interest rate swap transactions, in each case, pursuant to an ISDA master agreement (the “**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 AB1 Notes, Further Class B1 Notes, Further Class B2 Notes or New Notes (if applicable) and any replacement interest rate swap agreement) with the 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, the Class AB1 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 AB1 Notes, Further Class B1 Notes, Further Class B2 Notes or New Notes (as applicable)).

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. The Royal Bank of Scotland plc has, on the date of this Offering Circular, 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 TSB 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 the 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 Third 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 TSB Bank plc has, on the date of this Offering Circular, 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 “*Summary Details of Key Members 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, 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 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 Third 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 Third 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). 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, including for the avoidance of doubt as amended and restated on the Third Closing Date) entered into on the First Closing Date, as amended and restated on the Second 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.

## RISK FACTORS

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

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

#### *Notes obligations of Issuer only*

The Notes (including the Third 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 Offering Circular. 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.

#### *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 Third Issue Notes and any Further Notes and New Notes), the lending of the proceeds to the Borrowers under the Issuer/Borrower Facility Agreement and the entry into of the Interest Rate Swap Agreement, 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 the Swap Counterparty to the Issuer under the Interest Rate Swap Agreement.

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 Facility in accordance with the terms of the Liquidity Facility Agreement. The maximum amount available to be drawn under the Liquidity Facility will from the Third Closing Date be £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 future Debt Service at all times). However, the maximum aggregate amount of the Liquidity Facility available to be drawn to pay interest and principal in respect of the Class AB1 Notes and the Class B Notes will be limited to £33.5 million until such time as the Class AB1 Notes are the most senior ranking class of Notes outstanding. The maximum aggregate amount of the Liquidity Facility 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. The Liquidity Facility will not 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 Provider and the Swap Counterparty 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 Agreement, other than Swap Subordinated Amounts, rank in priority to payments due to the Noteholders. If the Swap Counterparty fails to provide the Issuer with the amount due under an Interest Rate Swap Agreement on any Interest Payment Date, or if any transaction under the 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 Agreement 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 the Interest Rate Swap Agreement, then a termination payment may become due and payable by the Issuer under the Interest Rate Swap Agreement. Any termination payment due from the Issuer to the Swap Counterparty on termination in whole or in part of a transaction under the 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*

Each Obligor’s ability to meet its obligations under the Issuer/Borrower Facility Agreement 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 obligations of the Obligors to make payments under the Issuer/Borrower Facility Agreement 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 Offering Circular.

#### *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.

*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); or
  - (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 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 Cash Flow 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.

#### *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 Services Authority in its capacity 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 Offering Circular.

### **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 Offering Circular (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, Greene King Services Limited, The Belhaven Group Limited, Belhaven Brewery Company Limited and Hardys & Hansons 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 either 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 of the Securitisation 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 of 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 of the Securitisation Group*

Supply Co is free to supply goods and services to companies outside of the Securitisation Group (and may utilise the same supply arrangements to supply products and services to both the Securitisation Estate and to pubs outside of 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 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 cash flow and its ability to make interest and principal payments under the Issuer/Borrower Facility Agreement.

### **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 AB1 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 AB1 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.

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 AB1 Notes, the Class AB1 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 AB1 Advances, the corresponding Term AB1 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*”, “*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 Third 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 investment consideration entitled “*Modifications, Waivers and Consents*” below.

### **Other considerations relating to the Third 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 AB1 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 AB1 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 AB1 Notes and the Class B Notes and (where appropriate) to reflect the rights of any financial guarantor or monoline insurer.

#### *Ratings*

It is expected that, on the Third Closing Date, the Third Issue Notes will have the ratings set out in the table under the section entitled “*Summary of the Terms and Conditions of the Third Issue Notes, Second Issue Notes and Original Notes and Related Matters*” above. 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 AB1 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 or any class of Third 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.

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**”).

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 Third Closing Date. A confirmation of ratings represents only a restatement of the opinions given at the Third 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 Third Issue Notes*

So long as the Third 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 Third Issue Notes will be tradeable only in the minimum authorised denomination of £50,000 and higher integral

multiples of £1,000 up to and including £99,000. It is, therefore, possible that the Third Issue Notes may be traded in amounts in excess of £50,000 that are not integral multiples of £50,000. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than £50,000 (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 Third Issue Notes such that its holding amounts to at least £50,000.

#### *Marketability*

Application has been made to the Stock Exchange for the Third Issue Notes to be admitted to the Official List and to trading on the Stock Exchange's regulated market. However, the Third 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. Consequently, prospective purchasers of the Third Issue Notes should be aware that they may have to hold the Third Issue Notes until their maturity. In addition, the market value of the Third Issue Notes may fluctuate with changes in prevailing rates of interest. Consequently, any sale of Third Issue Notes by Noteholders in any secondary market that may develop may be at a discount to the original purchase price of such Third 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 AB1 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 inter-bank 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 (as is specifically contemplated by Condition 21).

#### **Modifications, Waivers and Consents**

The Issuer Security Trustee and the Note Trustee may agree with the Issuer, the Obligors and other relevant parties, but without the consent or sanction of the Noteholders or the Couponholders in making any modifications to the Conditions, the Note Trust Deed (other than in respect of a Basic Terms Modification), the Notes (including for the avoidance of doubt the Third Issue Notes) or the other Transaction Documents to which it is a party or over which it has security, or may give its consent to any event, matter or thing, if:

- (a) in its opinion, the interests of the Noteholders would not be materially prejudiced thereby (as to which the Issuer Security Trustee may be given a direction by the Note Trustee);
- (b) in its opinion, such modification is required to correct a manifest error or is of a formal, minor, administrative or technical nature or is necessary or is desirable for the purposes of clarification; or
- (c) it is required or permitted, subject to the satisfaction of specified conditions, under the terms of the Conditions or the Transaction Documents and such conditions are satisfied.

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.

The Borrower Security Trustee may in writing, without reference to the Note Trustee, the Noteholders or the Borrower Secured Creditors, authorise or waive any breach of, or agree with any relevant parties in making any modification to, any of the provisions of any Borrower Transaction Document or give its consent to any event, matter or thing if:

- (a) in its opinion, the interests of the Noteholders would not be materially prejudiced thereby (as to which it may be given a direction by the Issuer Security Trustee);
- (b) in its opinion, it is required to correct a manifest error or is of a formal, minor or administrative or technical nature or is necessary or desirable for the purposes of clarification; or
- (c) it is required or permitted, subject to the satisfaction of specified conditions, under the terms of any Borrower Transaction Document and such conditions are satisfied.

### **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 pubs, 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 Obligor 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) additional EU or UK employment legislation (in particular, (i) the level of the National Minimum Wage, which is under annual review by the Low Pay Commission and (ii) the maximum number of hours an employee may be permitted to work and the extent to which they may voluntarily opt out) which could further increase labour costs;
- (b) competition, consumer protection and environmental laws which could adversely affect the Securitisation Group's operations; and
- (c) clarification from the courts as to what constitutes "reasonable adjustment" to prevent disabled customers being placed at a substantial disadvantage in terms of access to the Disability Discrimination Act 1995, which may require further alteration and expenditure to that already made to certain of the pubs in the Securitisation Group.

### *Concentration in Great Britain*

All of the pubs in the Securitisation Estate are located in Great Britain and, therefore, the Securitisation Group's results of operations are substantially influenced by general economic conditions in Great Britain. Specifically, consumer confidence and personal disposable income are influenced, amongst other things, by macroeconomic factors such as inflation, interest rates, rates of taxation imposed both directly and indirectly on consumers, wage rates, levels of employment and the availability of consumer credit. Adverse changes in the economic climate in Great Britain could have a negative impact on the Securitisation Group's performance.

### *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. Additional or more stringent requirements could be imposed on the Securitisation Group's operations in the future. See the section entitled "*The United Kingdom Pub Industry – Regulatory Environment – Licensing Reform*" below.

### *Employment legislation*

The Working Time Regulations (the "**WT Regulations**") control the hours employees are legally allowed to work. Under the legislation, workers may only be required to work a 48 hour week (although they can choose to opt out and work longer if they wish). The WT Regulations also lay down rights and protections in areas such as minimum rest time, days off and paid leave. Many employees of the GK Group are covered by the WT Regulations. The retention of the ability to opt out and the guidance as to who is covered by the WT Regulations may possibly change in the future.

Under the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, part-time workers can claim the same rights as full-time workers. Similar provisions apply to employees employed under fixed-term contracts under the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002, under which employees engaged under fixed-term contracts can claim the same rights as employees engaged under permanent contracts.

In addition, the Employment Equality (Age) Regulations 2006, which prohibits unjustified direct and indirect age discrimination, and all harassment and victimisation on grounds of age, of people of any age, young or old, came into force on 1 October 2006. Thus far, the impact of this legislation for Greene King has been minimal, however, in future may result in increased costs with respect to benefits provided to older employees, in particular with respect to health insurance.

These may affect the ability of the GK Group to operate the Securitisation Group efficiently, which in turn may adversely affect its cost base and its ability to meet its obligations under the Issuer/Borrower Facility Agreement and the other relevant Transaction Documents.

### *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 pub customers showing increased demand for non-beer products, such as wine and other alcoholic beverages, increased expenditure on food and a decline in the number/proportion of male pub visitors.

Growing health and drink-driving concerns, 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.

#### *Competition with other Pubs, Off-licences and Restaurants etc.*

The Securitisation Group's pubs compete for consumers with a wide variety of other branded and non-branded pubs and restaurants as well as off-licences, supermarkets and takeaways, some of which may offer higher amenity levels or lower prices and be backed by greater financial and operational resources. The Securitisation Group's pubs may not be successful in competing against any or all of these alternatives and a sustained loss of customers and/or skilled employees to other pubs or leisure activities or increased consumption at home could have a material adverse effect on its business operations and prospects. See the section entitled "*The United Kingdom Pub Industry – Market Trends*" below.

#### *Competition Law and Tied Estates*

Tied pub tenancy arrangements that require tenants to obtain beer (and other beverages) from a nominated supplier may constitute a breach of Article 81 (formerly Article 85) of the EC Treaty ("**Article 81**") and/or Chapter 1 Competition Act ("**Chapter 1**") in circumstances where the tie arrangements contribute significantly to the foreclosure of the United Kingdom market. If an agreement is in breach of Article 81/Chapter 1, it is null and void. A serious breach of Article 81/Chapter 1 can give rise to the imposition of fines. In addition, a breach of Article 81/Chapter 1 can also give rise to claims for damages against one or more parties to the contract in question. Following the decision of the European Court of Justice in *Courage v Crehan*, it is possible that the benefit of the right to claim damages for breach of Article 81 could extend to a party to the contract, particularly where that party has a weak bargaining position.

The European Commission has accepted, however, that where a lease/tenancy agreement incorporates a policy of multi-sourcing and periodic tendering, such a lease can operate to reduce foreclosure – such that the tie arrangements should not infringe Article 81/Chapter 1.

#### *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.

#### *Change in Gambling Laws*

In April 2005, the Gambling Act 2005 was enacted and as part of the legislation new gaming regulations came into force on 1 September 2007. The new legislation includes changes to the operation of amusement machines with prizes ("**AWPs**") and one of the key changes is that the use of AWP's by persons aged under 18 is now illegal except on low stake and prize machines. The level of prizes and stakes has been changed for category C machines with the maximum permissible prize increased from £25 to £35 and the maximum permissible stake increased from 30p to 50p.

Equal chance gaming, such as cribbage or poker, is still permitted in pubs. However, it is subject to more stringent conditions imposed by the Gambling Act 2005. There are explicit monetary limits on stakes and prizes, as well as new social responsibility provisions requiring close supervision of games. There have also been changes to the categories of machines permitted in casinos, licensed betting offices, bingo halls, amusement arcades, family entertainment centres and motorway service stations, some of which may increase the competitive threat to the Securitisation Group in respect of gaming.

#### *Potential Changes to Drink Driving Laws*

As car drivers and passengers account for a significant proportion of pub customers in the United Kingdom, any future legislation to reduce the legal blood alcohol limit for drivers in the United Kingdom could affect trading in the Securitisation Group's rural and suburban pubs and may result in customers drinking less. This could lead to a reduction in turnover at certain of the pubs in the Securitisation Estate and lead to a decline in the Securitisation Group's overall income as a whole from alcoholic drink sales. See further the section entitled "*The United Kingdom Pub Industry – Regulatory Environment – Drink Driving*" below.

#### *Legislation relating to smoking*

In July 2006, Parliament enacted the Health Act 2006 (the "**Health Act**"), which provided for (subject to certain very limited exceptions) a total ban on smoking in all enclosed and substantially enclosed public places, and all enclosed and substantially enclosed premises that are used as a place of work. This includes, without limitation, pubs, bars, restaurants and clubs, regardless of whether food is sold or not. The Health Act came into force in England on 1 July 2007. The Health Act also devolved powers to the National Assembly for Wales to make regulations for a ban on smoking in enclosed public places in Wales. Welsh Assembly Members voted in favour of The Smoke-free Premises etc. (Wales) Regulations 2007 on 30 January 2007 and the regulations came into force on 2 April 2007.

Whilst it is too early to assess the impact of the smoking ban in England and Wales, it could discourage customers who smoke from using pubs and this may have an adverse effect on the results of the Securitisation Group's businesses in England and Wales.

In Scotland, there has been a complete ban on smoking in pubs since 26 March 2006, when the Smoking, Health and Social Care (Scotland) Act 2005 came into force. The trading experience since the Scottish ban took effect has been relatively benign, with growth in food sales and a limited slow down in drink sales, although it is still too early to make a definitive judgement. The smoking ban could discourage customers who smoke from using pubs and this may have an adverse effect on the results of the Securitisation Group's businesses in Scotland. 216 of the pubs in the Securitisation Group following the Third Closing Date will be Scottish pubs.

Legislation prohibiting smoking will affect all of the pubs in the Securitisation Group within the relevant jurisdiction. Such legislation may have the effect of discouraging smokers from visiting pubs and restaurants, who may prefer to drink, eat and smoke at home.

#### *GK Group response to smoking legislation*

The Greene King group has over a number of years sought to broaden its customer base among women, retired couples and families. Investment has been made in enhancing the food, wine and soft drinks offers, including coffee. In addition, the Greene King group has increased the number of outside areas provided for smokers in the form of smoking shelters, canopies or other covered outside areas which, combined with the use of outdoor space heaters, allow use in most weathers. Following the Third Closing Date, 95 per cent. of the pubs in the Securitisation Estate will have exterior trading areas.

#### *The Borrower is reliant on the reputation of GK Group's brands*

Failure to protect the GK Group's brands or an event which materially damages the reputation of one or more of its brands and/or failure to sustain their appeal to its customers could have an adverse

impact on subsequent revenues from that brand or to the GK Group's brands as a whole and, accordingly, on the revenues of the Securitisation Group.

#### *EC Noise Directive*

The Physical Agents Directive 2001 (the “**Directive**”) is currently under discussion in the retail industry relating to the regulation of noise in the workplace. For further information see the section entitled “*The United Kingdom Pub Industry – Regulatory Environment – EC Noise Directive*” below. The current United Kingdom noise limit for workplaces is 90 decibels averaged over an eight hour day but if the Directive were to come into effect that limit would be reduced to 85 decibels. The European Parliament has agreed that the industry in the United Kingdom should agree a code of conduct as to how the Directive is to be implemented in the United Kingdom. The Government introduced regulations in response to the Directive in February 2008 and has launched a consultation document to assist with this process. It is possible that any regulations put in place by the Government may discourage certain customers from patronising those pubs whose present attraction is music or a less quiet environment and this could lead to a reduction in sales at some pubs and reduce the income received by the Securitisation Group.

#### *Changes in Supplier Dynamics*

In recent years, there has been a consolidation in the brewing and distribution industry 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 GKB&R 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.

#### *Varying Consumer Perceptions and Public Attitudes*

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. Changes in consumer tastes in both food and drink and demographic trends over time may affect the appeal of the Securitisation Group's pubs to consumers. The Securitisation Group's success will depend in part on its ability to anticipate, identify and respond to these changing conditions in the context of the life-cycle economics of the leisure industry. See the section entitled “*The United Kingdom Pub Industry – Market Trends*” below.

#### *Guaranteeing Income and Optimising Profit*

The Securitisation Group leases some of its pubs to retailers, 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 retailers, 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. In the absence of non-compliance with lease obligations, the Securitisation Group cannot arbitrarily remove an under-performing retailer by terminating the lease or tenancy agreement early or by refusing to renew the relevant agreement automatically at the end of its term.

The Securitisation Group also receives fixed rental payments from certain of its retailers at a rate negotiated when the lease is signed. Rental rates for a given pub are assessed by the Securitisation Group on the basis of its likely level of retail trading. If the Securitisation Group initially underestimates the likely level of retail trading for a pub, it may be led to agree to a lower fixed rate and consequently receive a smaller overall share of the pub's profits until the next rent review.

Persistent under-performance by retailers or inaccurate assessments when negotiating rents 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 landlords in the Securitisation Group (including, for example, for the supply of beer and other products to the tenants and for receipts from AWP 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 cash flow to the Securitisation Group is reduced or the relevant pub may become vacant. Further, the rent and other payments payable by the replacement tenant may not be as high as those payable by the former tenant.

A portion of the Securitisation Group's pubs are leased pursuant to shorter term tenancy agreements with terms of six years or less. Although management believes that shorter term tenancy agreements allow commercial flexibility, the Securitisation Group would, if a significant number of its existing tenancy agreements were terminated by tenants at the end of the relevant term, be required to find new tenants. This could impact on the profitability of the Securitisation Group in the period prior to the installation of these new tenants.

#### *Competition for High Quality Retailers*

A portion of the Securitisation Group's pubs are operated by retailers who are 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 retailers that the Securitisation Group would like to attract. The Securitisation Group may not be successful in convincing prospective retailers of the benefits of leasing its pubs and the Securitisation Group may lose high quality retailers as a result.

#### *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 May, 2008 contained in the Valuation Report and assuming that there has been no change to such valuation as at the Third Closing Date, the ratio (expressed as a percentage) of the Principal Amount Outstanding of the Notes in issue on the Third Closing Date (assuming the issue of the Third 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.

### *Exposure of the Securitisation Group to Funding Risks in relation to the Defined Benefits under its Pension Schemes*

The GK Group operates six defined benefit pension schemes (each a “**Pension Scheme**”):

- The Greene King Pension Scheme (the “**GK Scheme**”);
- The Greene King Supplementary Pension Scheme (the “**GKS Scheme**”);
- The Morland plc Pension Scheme (the “**MP Scheme**”);
- The Belhaven Brewery Company Limited 1977 Pension Scheme (the “**BBCL Scheme**”);
- The Hardys & Hansons Pension and Death Benefit Scheme (the “**H&H Scheme**”); and
- The Tolly Cobbold Pension Scheme (the “**TC Scheme**”).

These are all closed to new entrants. In addition there are no longer any active members in the TC Scheme.

Greene King is the principal employer in relation to each of the GK Scheme, the GKS Scheme and the MP Scheme, Belhaven Brewery Company Limited is the principal employer in relation to the BBCL Scheme, Hardys & Hansons is the principal employer in relation to the H&H Scheme and TD Ridley & Sons Limited is the principal employer in relation to the TC Scheme. Other companies within the GK Group (but not the Initial Borrower, GKRN0.2 or any other member of the Securitisation Group) also participate in the Pension Schemes.

Further information on the funding position of each Pension Scheme is set out in the section entitled “*Description of the Business – Pensions*” below.

The primary liability for funding the Pension Schemes rests with the participating employer companies. By virtue of the Pensions Act 2004 (the “**Pensions Act**”), there will be risks for the whole of the GK Group (including members of the Securitisation Group notwithstanding that they do not participate in any of the Pension Schemes) arising from the operation of the Pension Schemes. Many of these are generic risks associated with the operation of UK defined pension schemes generally.

In summary, the main risk factors are:

- (a) The trustees of the MP Scheme and the H&H Scheme have unilateral power to decide the employer contribution rate. They could therefore require increased payments from all participating employers in that scheme. However, the Pensions Act does provide the employer with the opportunity to be consulted under the scheme funding provisions.
- (b) The rules of the TC Scheme are unclear on who determines the employer contribution rate. One interpretation is that the trustees unilaterally determine the employer contribution rate, in which case the position is as set out in (a) above. If this interpretation is not correct, then the position with the TC Scheme is as set out in (c) below.
- (c) In relation to the other three schemes, the Pensions Act will allow the Pensions Regulator to impose a scheme funding target and employer contribution rate if those matters cannot be agreed between the scheme trustees and the employers. If the Pensions Regulator becomes involved, it is expected to result in more onerous funding requirements for employers participating in those schemes, e.g. payment for the past service deficit over a shorter period of time. This is a risk to which every defined benefit scheme in England and Wales or in Scotland, which is in deficit, is exposed to following the introduction in 2005 of scheme funding legislation under the Pensions Act.
- (d) The trustees of each Pension Scheme have power to wind up the relevant scheme in certain circumstances (e.g. if they think it unlikely that sufficient funding will be available to provide all benefits in full and additionally, in the case of the MP Scheme, if the principal employer fails to perform its obligations under the scheme (which could include failing to pay the employer contributions set by the trustees)). The relevant Pension Schemes will also wind up if the Principal Employer of the Pension Scheme in question goes into liquidation. Winding up the Pension Schemes would result in a statutory obligation on the various participating employers to make an immediate payment to the trustees of the Pension Schemes to bring the funding up to a level which meets the cost of buying out members’ benefits with an insurance company (known as the “**buy out basis**”).

The full buy out cost would produce a deficit which would be considerably higher than the disclosed FRS17/IAS19 deficit and any deficit calculated on an ongoing basis. Approximate actuarial calculations carried out by the GK Group’s actuary identify that (i) if the GK Scheme, the GKS Scheme and the MP Scheme were to wind up as at 5 April, 2006 the buy out debt which would be triggered in respect of such Pension Schemes would be approximately £112.6 million, (ii) if the BBCL Scheme were to wind up as at 31 March, 2005 the buy out debt which would be triggered in respect of such Pension Scheme would be approximately £12 million and (iii) if the H&H Scheme were to wind up as at 30 April, 2006, the buy out debt which would be triggered in respect of the scheme would be approximately £11.9 million (iv) if the TC Scheme were to wind up as at 1 December, 2004 the buy out debt which would be triggered in respect of such Pension Scheme would be approximately £2.1 million (although each of these figures should be taken only as a guide as no quotations have been obtained from insurance companies).

- (e) On the occurrence of specific events or set of circumstances which the Pensions Regulator considers to be financially detrimental to a defined benefit pension scheme in deficit, the Pensions Act gives power to the Pensions Regulator to issue a financial support direction requiring, for example additional contributions to be paid into the pension scheme or for funding guarantees for the defined benefit pension scheme(s) in question, to be provided from the participating employers or from any company in the same group as the participating

employers (which may include the Obligors) where it would be reasonable for the Pensions Regulator to do so. This applies regardless of whether the companies have any employees in the pension schemes concerned and the Pensions Regulator has these powers even where everyone in connection with the pension scheme has acted in good faith. In order for a financial support direction to be issued, the Pensions Regulator must be satisfied that a company participating in the relevant pension scheme is either a service company or insufficiently resourced (within the meaning of regulations made under the Pensions Act). The purpose of the Pensions Regulator's power is to limit the risk of the pension scheme(s) requiring support from the Pensions Protection Fund, a compensation arrangement for members of underfunded defined pension schemes, should the pension scheme wind up in deficit.

The Pensions Regulator may also impose a contribution notice in certain circumstances on any or several companies in the same group as the participating employers (which may include the Obligors) and persons who are connected with, or an associate of, the employer to contribute to the pension scheme where it is reasonable for the Pensions Regulator to do so. The Pensions Regulator may issue a contribution notice up to six years after a relevant event.

On 14 April, 2008 the Department for Work and Pensions announced a period of consultation to extend the Pensions Regulator's powers (effective from 14 April, 2008) which in practice is likely to make it easier to issue contribution notices to companies and connected or associated individuals in certain circumstances where the effect of an act or a series of acts results in a material detriment to the security of members' benefits. If the changes are enacted as proposed, acting in good faith will no longer be a defence to the exercise of contribution notices.

- (f) The trustees of each Pension Scheme have control over the investment of the relevant scheme's assets and could (having taken appropriate investment advice and consulted with the employers) alter the investment profile of their pension schemes. For example, they could exchange equity investments for bonds, which would typically increase the employer funding obligations in relation to the schemes because of the lower rate of return expected from lower risk bonds.

The foregoing risks are linked to the funding level of the schemes, which can be adversely affected by a number of factors including:

- (i) reducing bond yields (low yields mean a pension obligation is assessed as having a high value);
- (ii) increasing life expectancy (which will make pensions payable for longer and, therefore, more expensive to provide);
- (iii) investment returns below expectation;
- (iv) actual and expected price inflation (many benefits are linked to price inflation and, ignoring any compensating change in the value of assets and future expected investment returns, an increase in inflation will result in higher benefits being paid);
- (v) funding volatility as a result of the mismatch between the assets held and the assets by reference to which the scheme liabilities are calculated; and
- (vi) other events occurring which make past service benefits more expensive than anticipated in the actuarial assumptions by reference to which past pension contributions were assessed, including unanticipated changes to legislation or tax laws.

Employer obligations to their pension schemes (including any statutory debt) generally rank as unsecured and non-preferential obligations of the employer, with some limited exceptions.

### *High proportion of Fixed Overheads and Variable Revenues*

A high proportion of the Securitisation Group's operating overheads and certain other costs remain constant even if its revenues drop. The expenses of owning and operating managed pubs are not significantly reduced when circumstances such as market and economic factors and competition cause a reduction in revenues. If the Securitisation Estate were comprised solely of leased and tenanted pubs, it might have a lower risk to revenue exposure (because the tenant is obliged to pay the negotiated rent) and lower fixed costs at operating level and at a head office level than the Securitisation Group, which comprises both leased/tenanted pubs and managed pubs.

Accordingly, a significant decline in the Securitisation Group's revenues could have a disproportionately adverse effect on its cash flow and ability to make interest and principal payments under the Issuer/Borrower Facility Agreement.

### *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. Following the effects of the 11 September, 2001 terrorist attacks on the World Trade Center in New York, companies generally are facing increased premia for reduced cover. Generally, the Securitisation Group may indirectly have to pay higher premia or in some cases accept less, or a lower quality of, cover. This could adversely affect the Securitisation Group by increasing costs or increasing its exposure to certain risks. Other risks might become uninsurable (or not economically insurable) in the future. The Borrowers' ability to repay the Issuer/Borrower Facility Agreement may be adversely affected if such 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. 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).

### *Impact of operations outside the Securitisation Group*

EBITDA from the pubs within the Securitisation Estate (excluding overheads) accounted for approximately 80 per cent. of the EBITDA from the total pubs operated by the GK Group for the period from 30 April, 2007 to 14 October, 2007. As described in the section entitled "*Description of the Business – Business – Brewing Company*" below, the GK Group operates a brewing, distribution and wholesaling business which accounted for approximately 13.2 per cent. of the EBITDA of the entire GK Group for the period from 30 April, 2007 to 14 October, 2007. The GK Group may also develop or acquire further operations outside of 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.

### **Considerations relating to the Mortgaged Properties**

On the Third Closing Date, the interest held by the Initial Borrower in 1,951 of the Mortgaged Properties in the Securitisation Estate will be freehold/heritable and the interest held by the Initial Borrower in 84 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 89 pubs acquired by the Initial Borrower on 2 May 2008. All such Permitted Acquisitions were freehold save for one part freehold and part long leasehold. In addition, a further 428 pubs will be acquired by the Initial Borrower on or about the Third Closing Date which have also been taken into account in these figures together with Permitted Disposals, of which there have been 81 Mortgaged Properties disposed of prior to the date of this Offering Circular, and of which there will be a further 106 Mortgaged Properties disposed of on or about the Third Closing Date. In addition there has been one substitution of a property whereby a Leasehold Mortgaged Property transferred to the Initial Borrower on the Second Closing Date was replaced by a freehold property after landlord's consent to assign was not forthcoming.

#### *Investigations and Certificates of Title*

Birketts LLP ("**Birketts**") produced spreadsheets in respect of the Securitisation Estate (as at each of the First Closing Date and the Second 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 and the Second Closing Date, respectively, and they have produced a further spreadsheet in respect of the Further Mortgaged Properties located in England and Wales (the "**Birketts Further Spreadsheet**"). Boyle Shaughnessy ("**Boyle Shaughnessy**") have also produced a similar spreadsheet in respect of the Further Mortgaged Properties located in Scotland (the "**Boyle Shaughnessy Spreadsheet**" and together with the Birketts 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 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 2 mixed long leasehold and freehold Mortgaged Properties located in England and Wales and certificates of title 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 8 mixed long leasehold and freehold Mortgaged Properties located in England and Wales (the "**Original Samples**" and the "**Original Certificates of Title**").

Birketts have prepared further certificates of title dated 26 June, 2008 for a further sample (the "**Birketts Further Sample**") comprising 39 freehold Further Mortgaged Properties (of which 15 comprise Managed Pubs and 24 comprise Tenanted Pubs), 10 long leasehold and 5 mixed long leasehold and freehold Further Mortgaged Properties located in England and Wales and Boyle Shaughnessy have prepared certificates of title dated 26 June, 2008 for a sample (the "**Boyle Shaughnessy Sample**", together with Birketts Further Sample, the "**Third Sample**") comprising 57 heritable Further Mortgaged Properties (of which 12 comprise Managed Pubs and 45 comprise Tenanted Pubs) and 2 long leasehold Further Mortgaged Properties located in Scotland (the "**Further Certificates of Title**" and together with the Original Certificates of Title, the "**Certificates of Title**"). The First Sample, the Second Sample and the Third 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 and approximately 33 per cent. by reference to EBITDA (for the period from 13 December, 2004 to 11 December, 2005). The Third Sample represents approximately 27 per cent. by number of the Further Mortgaged Properties and approximately 38.4 per cent. by reference to EBITDA (for the period from 8 January, 2007 to 6 January, 2008).

Birketts and Boyle Shaughnessy 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 each of 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 Further Mortgaged Properties 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.

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 Birketts or Boyle Shaughnessy (as applicable) 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 Birketts or Boyle Shaughnessy, 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.

Birketts and Boyle Shaughnessy 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 Birketts and Boyle Shaughnessy 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 and the Second 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 and the Second 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 Third Issue Notes in respect of their review of the Certificates of Title and the Tenancy Summaries in respect of the Further Mortgaged Properties located in England and Wales in order to highlight any material items (the “**Linklaters Overview Reports**”). Dundas & Wilson CS LLP (“**Dundas & Wilson**”) have, in addition, prepared a due diligence overview report in connection with the issue of the Third Issue Notes in respect of their review of the Certificates of Title and the Tenancy Summaries in respect of the Further Mortgaged Properties located in Scotland in order to highlight any material items (the “**D&W Overview Report**” and together with the Linklaters Overview Reports, 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. 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)	3
• good leasehold	26
Missing Deeds	9
Covenants which:	
• prevent the use of the licensed premises or any part as a pub and/or the sale of alcohol	7
• conflict with current use, actually or potentially	4
• are unknown	23
Breaches of obligation or disputes	3
In relation to the leasehold properties:	
• provisions providing for forfeiture/irritancy on insolvency of the tenant	18
• provisions providing for forfeiture/irritancy on loss of licence	9
• “keep open” covenants	13
• landlord’s consent for assignment/assignation only required	45
• landlord’s consent for assignment/assignation and charging required	7
• landlord’s title not investigated	7
• charging prohibited	1

### *Leasehold Interest in Mortgaged Properties*

18 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 2 of these 18 properties (located in England), the forfeiture provisions only affect the car park and for 1 of these 18 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.

13 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*

7 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. 23 more are subject to unknown covenants and a further 9 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.

2 of the Mortgaged Properties have the benefit of material car parking rights in respect of which a leasehold title or a licence is held on a short-term basis. One of the Mortgaged Properties does not have title to the car park area, which remains owned by the local authority due to a conveyancing error made in the 1950s, but Greene King are in possession and have asked the local authority to rectify their title.

If the car parking rights in respect of either 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 Further Mortgaged Property located in Scotland (but not forming part of the Sample) 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 on 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 two leasehold Further Mortgaged Properties 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 leases are frustrated in this way, the Initial Borrower will be required to provide a substitute for the relevant Further Mortgaged Property on the terms set out in the section entitled “*Substitutions*” below.

#### *Tenancy Summary*

Each of Linklaters and Dundas & Wilson have confirmed in their respective Overview Reports that, based on their review of the relevant Tenancy Summaries relating to the Further Mortgaged Properties (excluding those Tenancy Summaries prepared in connection with the issue of the Original Notes and the Second Issue Notes), in their opinion the forms of Tenancy Agreements currently used are in all material respects on terms that are usual in the pub letting market. However, they have highlighted the following.

- (a) In relation to the two standard forms of New Century Inns 3-year tenancy agreement and the New Century Inns 1-year probationary tenancy agreement (each currently representing 2 per cent. respectively of the Tenanted Properties) the tenant is under no obligation to repair, or contribute to the cost of repair of, the structure of the pub or to undertake any repairs other than “minor repairs”. The landlord therefore bears the cost of any wear and tear to the interior of the premises and any structural repairs which may be needed (other than by reason of an insured risk occurring).
- (b) In relation to the Hardy & Hansons standard 3-year tenancy agreement (currently representing 11 per cent. of the Tenanted Properties), the Belhaven standard form short term lease (of less than one year), the Belhaven standard form 1-year tenancy agreement and the Belhaven 5-year lease (currently representing 5 per cent., 28 per cent. and 29 per cent. respectively of the Tenanted Properties), the tenant is under no obligation to repair, or contribute to the cost of repair of, the structure of the pub. The landlord therefore bears the cost of any structural repairs which may be needed (other than by reason of an insured risk occurring).

In respect of the current Tenancy Agreements for Mortgaged Properties in England and Wales, many refer to the Licensing Act 1964, which has been repealed and replaced with the Licensing Act 2003. In these cases the Group are in the process of seeking a new deed from their tenants to deal with changes to the method of licensing public houses. This deed contains an acknowledgement that the landlord has obtained a premises licence, a covenant on the part of the tenant to comply with the requirements of the landlord’s premises licence and an agreement that all the covenants and provisions contained in the

tenant's tenancy agreement shall be applicable to the requirements for the maintenance and preservation of the premises licence. In respect of the Tenancy Agreements for Mortgaged Properties in Scotland, the retail sale of alcohol in Scotland is governed by the Licensing (Scotland) Act 1976 (as amended). This Act applies until 1 September, 2009. The Scottish Parliament has enacted the Licensing (Scotland) Act 2005 (the "**2005 Act**") which came into force in February 2008 and runs as a "hybrid" system alongside the 1976 regime. Leases granted post February 2008 refer to the provisions of the 2005 Act but leases granted before this date do not. Greene King confirms that applications are being made for all licences required under the 2005 Act, all such licences will transfer to the new system and there is a general obligation on the tenant to comply with statute.

#### *Registration of Mortgages*

In respect of the Mortgaged Properties in England and Wales, there is no current intention, on or prior to the Third 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 Third 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 Mortgaged Properties and Boyle Shaughnessy 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 52 of the Leasehold Mortgaged Properties, the relevant landlord's consent is 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**"). The Overview Reports confirm in relation to all but 2 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 and the Second Closing Date, the relevant landlords' consents were obtained to assignment and charge, save for one Consent Leasehold Mortgaged Property 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. In respect of the Consent Leasehold Mortgaged Properties entering the Securitisation Estate following the Third Closing Date, applications for consent to transfer and charge have been made in respect of all Consent Leasehold Mortgaged Properties but as at the date of this Offering Circular no landlord's consent to the transfer or the granting of a charge over the legal and beneficial interest has been obtained. No landlord has, however, at the date of this Offering Circular refused to grant such consent. There is no prohibition on charging in relation to any of the Further Mortgaged Properties.

Pursuant to the terms of the Borrower Security Documents, the Obligors have prior to the Third Closing Date granted, or will on the Third Closing Date grant, a charge over their beneficial and/or legal interest in each of the Mortgaged Properties in the Securitisation Estate. Further, the Obligors have covenanted or obliged themselves to use all reasonable endeavours (at their own cost) to obtain the consent of the relevant landlords to the transfer and charging of such Consent Leasehold Mortgaged Properties on or before the date falling 12 months after the Third Closing Date in respect of those Mortgaged Properties which become part of the Securitisation Estate on the Third Closing Date.

In respect of the Consent Leasehold Mortgaged Properties in England and Wales, until such time as landlord's consent to transfer is obtained in respect of a Consent Leasehold Mortgaged Property, the security granted by the Initial Borrower pursuant to the Borrower Deed of Charge will only be 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 is obtained the Initial Borrower will occupy the relevant Consent Leasehold Mortgaged Property as licensee only and there will be no interest capable of charge. In each case, where the relevant landlord either refuses consent or does not provide consent on or before the date falling 12 months after the Third Closing Date in respect of those Mortgaged Properties which become part of the Securitisation Estate on the Third Closing Date, the Borrower Security Trustee will release or discharge the charge over the Initial Borrower's beneficial interest in that relevant Consent Leasehold Mortgaged Property. In such cases, the Initial Borrower will substitute for such Consent Leasehold Mortgaged Properties suitable alternative properties which will form 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 Disposals 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 Initial Borrower is under an obligation, should it not prove possible to obtain landlord's consent in relation to a Consent Leasehold Mortgaged Property on or before the date falling 12 months after the Third Closing Date in respect of those Mortgaged Properties which become part of the Securitisation Estate on the Third Closing Date, 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. In addition, where a Withdrawn Property is a Tenanted Pub, the Substitute Property may not be a Managed Pub unless the Additional Profitability Condition (as defined in the section entitled "*Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Application of Proceeds of Disposals of a Mortgaged Property*" below) is satisfied in respect of such Substitute Property (treating the Substitute Property as a Permitted Business for the purposes of such definition). 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 2 months of its requirement becoming apparent and the substitution is required to take place within 5 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 3 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 3 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.

### *Environmental Considerations*

Environmental legislation establishing a new contaminated land regime was brought into force in April 2000. This 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. The term “owner” means a person (other than a mortgagee or charge holder 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 which will be repeated on the Third 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.

### *Valuation*

The Issuer, the Initial Borrower, the Lead Manager, the Borrower Security Trustee and the Issuer Security Trustee have received the benefit of the valuation report from the Valuer, dated 26 June, 2008

in relation to the valuation of the Mortgaged Properties addressed to the Issuer, the Initial Borrower, the Lead Manager, 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 May, 2008 an aggregated open market value (calculated on an existing use basis) of £2,123,000,000. An assumption has been made by the valuers that the Obligor has 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.

#### *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 Offering Circular. 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 Trade and Industry 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 as created was 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 Offering Circular. 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 Obligor in the context of the transactions described in this Offering Circular.

#### *Enterprise Act*

As explained above, the provisions of the Enterprise Act amending the corporate insolvency provisions of the Insolvency Act came in to 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% of the net property under £10,000 and 20% 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 in to 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 Enterprise Act on 15 September, 2003, the only remaining categories of preferential debts are certain amounts payable in respect of occupational pension schemes, employee remuneration and levies on coal and steel production.

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 2 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 and the Initial Borrower has made loans to the Sapphire Companies from the proceeds of the Issuer/Borrower Facility on the First Closing Date 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 arms’ 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. The Initial Borrower believes that the Initial Borrower Subordinated Loan Agreement will satisfy this condition. The relevant companies have covenanted in favour of the Borrower Security Trustee to make such an election. H.M. Revenue & Customs has the power to refuse to accept such an election. However, in the light of published draft guidance and the fact that the companies assuming the tax liability are substantial asset owning entities, the Initial Borrower has been advised that the risk of such a refusal is remote. Greene King has already 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. A similar election is expected to be made 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. It is not anticipated that a further drawdown will be made under the Initial Borrower Subordinated Loan Agreement at the time of issue of the Third Issue Notes.

If appropriate elections are made and accepted, 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, GKRNo.2 and each member of the Securitisation Group (the members of the Securitisation Group together with GKRNo.2 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 Tax Indemnified 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.

GKRNo.2, which will be a member of the Tax Indemnified Group as at the Third Closing Date, has, save for certain outstanding intra-group balances, been dormant since the First Closing Date. It is intended that after the Third Closing Date, the shares in GKRNo.2 held by the Initial Borrower will be transferred to another member of the Greene King Group and/or proceedings for the winding-up of GKRNo.2 will be commenced. With effect from the GKRNo.2 Release Date, GKRNo.2 will be released from its obligations under the Transaction Documents, shall cease to be a party to the Tax Deed of Covenant and shall cease to be a member of the Tax Indemnified Group.

#### *UK Corporation Tax on Chargeable Gains and Stamp Duty Land Tax*

Some members of the Tax Indemnified Group have acquired, and the Initial Borrower will also on the Third 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 and stamp duty land tax purposes at the time of the acquisition. In particular, the majority of the properties comprising the Securitisation Estate other than the properties owned by the Sapphire Companies were, prior to the First Closing Date, transferred to GKRNo.2 from GKB&R and were transferred on the First Closing Date by GKRNo.2 to the Initial Borrower. In addition, the shares in the Sapphire Companies were on the First Closing Date transferred by the relevant vendors (none of whom are members of the Tax Indemnified Group) to the Initial Borrower. All the assets that have been acquired by the Initial Borrower either on the Second Closing Date or in the period between the Second Closing Date and the Third Closing Date were transferred to it by GKB&R. Further, all the assets to be acquired by the Initial Borrower on the Third Closing Date will be transferred to it by GKB&R and Belhaven Group Properties Limited. Consequently, members of the Tax Indemnified Group may have a contingent liability for UK corporation tax on chargeable gains and stamp duty land tax. Certain assets have, however, in the period between the Second Closing Date and the Third Closing Date been disposed of by the Initial Borrower to third parties and certain further assets will, on the Third Closing Date, be disposed of by the Initial Borrower to GKB&R thereby reducing the potential contingent liabilities.

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, including by way of a sale of the shares in the Securitisation Group Parent, 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 sizeable contingent liabilities.

The contingent liability to stamp duty land tax will crystallise in the Tax Indemnified Group if the relevant transferee ceases to be a member of the same stamp duty land tax group as the relevant transferor 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 purposes) holds such asset at the time. In relation to the assets transferred on the First Closing Date, the three year period in which the contingent liability to stamp duty land tax could be crystallised has now expired.

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 and GKB&R 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. In addition, 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. As long as Greene King remained subject to liabilities and covenants under certain debenture stock, the value of this security was effectively limited to £120 million. These liabilities and covenants were satisfied and released on the Second Closing Date so that no limit need be imposed on the security that can be given over Greene King’s shareholding in the Securitisation Group and over its rights under the Initial Borrower Subordinated Loan. This means that although the total contingent tax liabilities increased materially with effect from the Second Closing Date and will further increase materially with effect from the Third Closing Date, the value of the available security granted in respect of the relevant undertakings under the Tax Deed of Covenant will increase by more than this amount. The equitable share mortgage contains a prohibition on Greene King disposing of its interest in the shares of the Securitisation Group Parent.

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 or stamp duty land 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 primary or secondary charge to tax in the transferee or the transferor (respectively). 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 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 rollovers had not occurred.

#### *Withholding tax in respect of the Notes and the Interest Rate Swap Agreement*

In the event that any withholding or deduction for or on account of tax is required to be made from payments due under the Third Issue Notes or any other Notes (as to which see the section entitled “*United Kingdom Taxation*” below), 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 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 due under the Interest Rate Swap Agreement (whether that payment is to be made by the Issuer or by the 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 the 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 Interest Rate Swap Agreement (subject to the Swap Counterparty’s obligation to use its reasonable endeavours to transfer its rights and obligations under the Interest Rate Swap Agreement to a third party swap provider such that payments made by and to that third party swap provider under the 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 the Interest Rate Swap Agreement, subject to the Ratings Test being satisfied notwithstanding such termination). If a transaction under the 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 the Interest Rate Swap Agreement), this will be initially funded by the Issuer by way of a drawing under the Liquidity Facility. 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 the 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 Third Term AB1 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 Third Term AB1 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.

#### *Tax consequences of the introduction of International Financial Reporting Standards*

For accounting periods beginning on or after 1 January, 2005 the accounts of United Kingdom companies with listed debt (such as the Issuer) are required to comply with International Financial Reporting Standards (“IFRS”) (if they prepare consolidated accounts) or with new UK Financial Reporting Standards (“new UK FRS”) which are based on IFRS. (In the following, unless otherwise stated, references to IFRS include references to new UK FRS). If taxed on the basis of their accounts, the tax position of special purpose companies such as the Issuer might be different from its cash position. H.M. Revenue & Customs have indicated that, as a policy matter, they did not wish the tax neutrality of securitisation special purpose companies in general to be disrupted as a result of the transition to IFRS and have accordingly introduced a special corporation tax regime for “securitisation companies” in the form of the Taxation of Securitisation Companies Regulations 2006, as amended by SI 2007/339 (the “**Securitisation Regulations**”).

Where a company qualifies as a securitisation company for the purposes of 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 been advised that it is eligible for securitisation company treatment provided that it makes 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. The Issuer has covenanted to make such an election in order to qualify as a securitisation company for these purposes within the prescribed time limit. In the Tax Deed of Covenant, 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.

The Initial Borrower will undertake pursuant to the Tax Deed of Covenant (as amended on the Third Closing Date), not to adopt International Accounting Standard 39 or Financial Reporting Standard 26 unless and until it is required to do so. The Initial Borrower has been advised that, on the basis of current law and practice, if IFRS were to apply as is currently anticipated, its tax treatment would not be expected to be materially different after the adoption of IFRS. However, there can be no assurance that the applicable United Kingdom tax legislation, the relevant accounting standards, or their application or interpretation will not change in the future.

#### *Change of Law*

The structure of the transaction and, *inter alia*, the issue of the Third Issue Notes and the ratings which are to be assigned to them are based on English law in effect as at the date of this Offering Circular. 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 Offering Circular.

#### *European Monetary Union*

It is possible that, prior to the maturity of the Notes, the United Kingdom may become a participating member state in the European Economic and Monetary Union and therefore the euro may become the lawful currency of the United Kingdom. In that event, all amounts payable in respect of the sterling denominated Notes may become payable in euro. The provisions of Condition 21 (*European Economic and Monetary Union*) will, in such circumstances, allow the Issuer to re-denominate each class of sterling denominated Notes in euro and take additional measures in respect of the sterling denominated Notes. The introduction of the euro as the lawful currency of the United Kingdom may result in the

disappearance of published or displayed rates for deposits in sterling used to determine the rates of interest on the sterling denominated Notes, or changes in the way those rates are calculated, quoted, published or displayed. If the sterling denominated Notes are outstanding at a time when the euro becomes the lawful currency of the United Kingdom, the Issuer intends to make payment on the sterling denominated Notes in accordance with the then prevailing market practice of payment on such debts. The introduction of the euro could also be accompanied by a volatile interest rate environment, which could adversely affect investors. It cannot be said with certainty what effect, if any, the adoption of the euro by the United Kingdom would have on investors in the Notes.

### ***Implementation of Basel II risk-weighted asset framework may result in changes to the risk-weighting of the Notes***

Following the issue of proposals from the Basel Committee on Banking Supervision for reform of the 1988 Capital Accord, a framework has been developed which places enhanced emphasis on market discipline and sensitivity to risk. A comprehensive version of the proposed framework was published in June 2006 under the title “*International Convergence of Capital Measurement and Capital Standards: A Revised Framework (Comprehensive Version)*” (the “**Framework**”). The Framework is being implemented in stages: the Basel II standard approach and the Foundation IRB approach for credit risk was implemented from 1 January 2007 and the most advanced Basel II IRB approach and the advanced measurement approach (AMA) for operational risks is expected to be implemented from 1 January 2008. However, the Framework is not self-implementing and, accordingly, implementation dates in participating countries are dependent on the relevant national implementation process in those countries. In the U.K., Basel II and the EU Capital Requirements Directive have been implemented through the Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU) and the Capital Requirements Regulations 2006 SI 2006/3221, although the most advanced approaches referred to above have only become available from 1 January 2008. As and when implemented, the Framework could affect risk-weighting of the Notes for Noteholders who are subject to capital adequacy requirements that follow the Framework. Consequently, Noteholders should consult their own advisers as to the consequences to and effect on them of the application of the Framework and any relevant implementing measures (including in the EEA, the EU Capital Requirements Directive). Proposals and guidelines for implementing the Framework in certain participating jurisdictions are still in development and no predictions can be made as to the precise effects of potential changes on the Notes, any Noteholder or otherwise.

### ***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 Third 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*”). 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 Offering Circular 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 Offering Circular.

*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 Third Issue Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risk of holding the Third Issue Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Offering Circular 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 Third Issue Notes on a timely basis or at all.*

## DESCRIPTION OF THE BORROWER TRANSACTION DOCUMENTS

*The following is a summary 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 Third Closing Date pursuant to a master deed of amendment to be entered into on or about the Third Closing Date between, *inter alios*, the Issuer, the Obligors, the Agents, the Liquidity Facility Provider and the Swap Counterparty (the “**Second 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 and Third Term Facilities*

Following the Third Closing Date, the following will remain outstanding under the Issuer/Borrower Facility Agreement:

- (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, together with the Initial Term A1 Facility, the Initial Term A2 Facility and the Second Term A3 Facility, the “**Term A Facilities**” 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**”);

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.

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 Third Closing Date (the “**Third Term Advances**”):

- (a) a secured term loan facility in a maximum aggregate principal amount of £290,000,000 (the “**Third Term A5 Facility**” and, together with the Initial Term A1 Facility, the Initial Term A2 Facility, the Second Term A3 Facility and the Second Term A4 Facility the “**Term A Facilities**” and the corresponding cash advance under the Third Term A5 Facility, the “**Third Term A5 Advance**” and, together with the Initial Term A1 Advance, the Initial Term A2 Advance, the Second Term A3 Advance and the Second Term A4 Advance, the “**Term A Advances**”) provided that the Third Term A5 Advance to be made thereunder shall be made at a discount of 0.05 per cent. of the total amount thereof, the amount of such discount being deemed to be advanced by the Issuer to the Initial Borrower; and
- (b) a secured term loan facility in a maximum aggregate principal amount of £60,000,000 (the “**Third Term AB1 Facility**” and the corresponding cash advance under the Third Term AB1 Facility, the “**Third Term AB1 Advance**”) provided that the Third Term AB1 Advance to be made thereunder shall be made at a discount of 0.05 per cent. of the total amount thereof, the amount of such discount being deemed to be advanced by the Issuer to the Initial Borrower.

#### *Use of Further Proceeds*

The Initial Borrower will apply the proceeds of the Third Term Advances on the Third 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 Offering Circular is, unless the context requires otherwise, to an Initial Term Facility, a Second Term Facility, a Third Term Facility, a Further Term Facility and/or a New Term Facility and a reference to a “**Term Advance**” in this Offering Circular is, unless the context requires otherwise, to an Initial Term Advance, a Second Term Advance, a Third 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”, a “Term AB1 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 and/or a Term A5 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, an Initial Term Advance, a Second Term Advance or a Third Term Advance shall, in this section of this Offering Circular, 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 and the Term A5 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 and the Third Issue Notes, the Initial Facility Fee, the Second Facility Fee, the Third 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 (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 (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 will be:

- (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 (a)(iii) or (b)(iv) above being the “**Term A5 Profit Margin**”.

The rate of interest in respect of the Third Term AB1 Advance will be:

- (a) up to (but excluding) the Interest Payment Date falling in June 2013 (the “**Class AB1 Step-Up Date**”), the aggregate of (i) LIBOR, (ii) a margin of 2.10 per cent. per annum (the “**Term AB1 Margin**”) and (iii) a further margin equal to 0.01 per cent. per annum of the aggregate of LIBOR and the Term AB1 Margin; and
- (b) from and including the Class AB1 Step-Up Date, the aggregate of (i) LIBOR, (ii) the Term AB1 Margin, (iii) an additional margin of 3.15 per cent. per annum (the “**Term AB1 Step-Up Margin**”) and that part of any interest referable to the Term AB1 Step-Up Margin and any interest accrued thereon being the “**Term AB1 Step-Up Amounts**”) and (iv) a further margin equal to 0.01 per cent. per annum of the aggregate of LIBOR, the Term AB1 Margin and the Term AB1 Step-Up Margin,

at any time, the then applicable margin referred to in (a)(iii) or (b)(iv) above being the “**Term AB1 Profit Margin**”.

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 (a)(iii) 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 Rate 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 (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 Third Term AB1 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,

in each case plus an additional margin equal to 0.01 per cent. per annum of the applicable rate of interest (including any margin).

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; and
- (d) 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 and the Second Term Facilities 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 and (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**”).

In consideration of the Issuer making the Third Term Facilities available, the Initial Borrower will be required to pay to the Issuer on 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 Advances and the negotiation, preparation and execution of each Transaction Document to be entered into on the Third Closing Date (the “**Third Facility Fee**”).

In addition and pursuant to the terms of the Issuer/Borrower Facility Agreement, the Initial Borrower is obliged to pay an ongoing facility fee to the Issuer. The 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 (l) 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); and
- (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 (a) and (b); 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 (a) and (b) above being referred to in this Offering Circular 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 and Second Term Advance is repayable, and each Third 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 and Second Term Advance is, and each Third 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 7 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 such prepayment of the Term A1 Advances, the Term A3 Advances, the Term A5 Advances, the Term AB1 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 AB1 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 that:

- (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 the Swap Counterparty upon any early partial or full termination of the transactions under the 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 Third Term AB1 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 monies 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 AB1 Advances 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 AB1 Advances; 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 paragraphs (i) or (ii) towards prepayment of the Term A1 Advances, the Term A2 Advances, the Term A3 Advances, the Term A4 Advances and the Term A5 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 paragraphs (i) or (ii) 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 Obligor(s) 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 Third 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 7 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 the

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 AB1 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 AB1 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 the 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 AB1 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 Conditions 7(d)(i) or 7(d)(ii), the Borrowers may, whilst the relevant event set out in Conditions 7(d)(i) or 7(d)(ii) (as applicable) is subsisting, on giving not less than 7 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 AB1 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 AB1 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 AB1 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 (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 (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 (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 AB1 Notes so long as there are no Class A1 Notes, Class A2 Notes, Class A3 Notes, Class A4 Notes or Class A5 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 or Class AB1 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(i) (*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 AB1 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 AB1 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 and the Third 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 Third 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 and the Second Closing Date and which will be given by each Obligor on the Third 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 or the Third 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 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 or the Third 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 7 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 each of the Borrowers as being the net assets of those Borrowers (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 SDLT Reserve (as defined in the section entitled “*Summary of Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Stamp Duty Land Tax Reserve*” below) and such SDLT 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 Cash Flow 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 following:

- (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 5 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 arms’ 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 Third 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)), 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 relevant Net Sale 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 Third Term AB1 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**”.

Notwithstanding the above, the Initial Borrower is permitted, without the consent of the Borrower Security Trustee, to dispose of certain pre-agreed ancillary property interests and plots of land which are not currently used in the business of the Securitisation Group but which are adjacent to or form part of certain of the Further Mortgaged Properties provided that such disposals do not adversely affect the Initial Borrower’s title to, or the security over the remaining Mortgaged Properties or parts thereof (each a “**Pre-Agreed 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 Office of Fair Trading, 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) described under the section “*Covenants regarding Disposal of Mortgaged Properties and Related Matters*” above or is a Pre-Agreed Disposal 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. Any Sales Proceeds credited to the Disposal Proceeds Account in respect of a disposal of a pub which is let to a third party tenant and operator (a “**Tenanted Pub**”) shall be credited to a separate ledger of the Disposal Proceeds Account maintained by the Initial Borrower (or the Cash Manager on its behalf) (the “**Tenanted Pub Proceeds Ledger**”).

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 monies 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) 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 provided that amounts credited to the Tenanted Pub Proceeds Ledger shall only be permitted to be withdrawn to be applied in or towards the funding or refinancing of Capital Enhancement Expenditure incurred in respect of a Tenanted Pub;
- (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 provided that amounts credited to the Tenanted Pub Proceeds Ledger shall only be permitted to be withdrawn to be applied in or towards acquiring or substituting a Permitted Business which comprises (in whole or in part) a Managed Pub or the refinancing of funding for the acquisition or substitution of a Permitted Business which comprises (in whole or in part) a Managed Pub if the Additional Profitability Condition is satisfied;
- (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 (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 in relation to the transfers of the Mortgaged Properties to any member of the Tax Indemnified Group on or before the Third 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 monies 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 Offering Circular 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:

“**Additional Profitability Condition**” means the condition that will be satisfied if the Average Expected Gross Yield of the Permitted Business being acquired or substituted is equal to or greater than the aggregate of 2.2 per cent. and the then Weighted Average Interest Rate.

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

- (a) the amount of:
  - (i) the 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.

#### ***Covenants regarding Conversion of Managed Pubs and Tenanted Pubs***

The Securitisation Estate is comprised of both Managed Pubs and Tenanted Pubs, as to which see further the section entitled “*Description of the Business – Business*” below.

#### ***Conversion of Managed Pubs to Tenanted Pubs***

The Borrowers are permitted to convert a Managed Pub into a Tenanted Pub (a “**Tenanted Conversion**”) if either the proposed Tenanted Conversion will not result in more than 120 Tenanted Conversions having been made since the Third Closing Date or the relevant Borrower certifies in writing to the Borrower Security Trustee that either of the conditions set out in (a) and (b) below are satisfied. The conditions for a Tenanted Conversion where more than 120 Tenanted Conversions have been made since the Third Closing Date are that either:

- (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 7 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.

Notwithstanding the conditions above additional Tenanted Conversions are permitted if the Ratings Test is satisfied.

#### *Conversion of Tenanted Pubs to Managed Pubs*

The Borrowers are permitted to convert a Tenanted Pub into a Managed Pub (a “**Managed Conversion**”) if either the proposed Managed Conversions will not result in more than 30 Managed Conversions having been made since the Third Closing Date or the relevant Borrower certifies in writing to the Borrower Security Trustee that either of the conditions set out in (a) and (b) below are satisfied. The conditions for a Managed Conversion where more than 30 Managed Conversions have been made since the Third Closing Date are that either:

- (a) the proposed Managed Conversion will not result in more than two Managed 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 Managed 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 Managed Conversions during the four consecutive complete Financial Quarters (or in respect of Relevant Managed 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 multiplied by 1.10; and
  - (ii) the aggregate Pub FCF to be produced in respect of the proposed Managed 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 Managed 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 Managed Conversion multiplied by 1.10; and
  - (iii) where the proposed Managed Conversion will require the closure of the relevant pub for more than 7 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 Managed Conversion would not have resulted in the Conversion Condition not having been satisfied on such Financial Quarter Date.

Notwithstanding the conditions above additional Managed Conversions are permitted if the Ratings Test is satisfied.

For these purposes:

“**Conversion Condition**” means the condition that will be satisfied if no Loan Event of Default has occurred and is continuing (and has not been waived) or would occur as a result of the relevant Tenanted Conversion or Managed Conversion (as the case may be) and, in relation to the immediately preceding Relevant Period and immediately preceding Relevant Year:

- (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.

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

- (a) deducting:
  - (A) 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
  - (B) 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 Managed Conversions**” means all of the Managed Conversions which have been made during the 20 consecutive complete Financial Quarters immediately preceding the date of commencement of the proposed Managed Conversion but excluding those Managed Conversions made in the four consecutive complete Financial Quarters preceding the date of commencement of the proposed Managed Conversion.

“**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.

***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 monies 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 arms' 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 arms' 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 monies 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 monies 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 average 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 arms’ 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 Third Term AB1 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.

#### ***Stamp Duty 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 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 or the Third Closing Date qualifies for group relief from stamp duty land tax, or if H.M. Revenue & Customs 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 “**SDLT Reserve**”, such SDLT 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 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 SDLT 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 SDLT Reserve) or to pay an amount equal to the relevant stamp duty land 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 undertaking 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 (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 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 be 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 cash flows 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 Cash Flow, 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 Facility;
- (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 (5<sup>th</sup>) 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 (5<sup>th</sup>) 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 2 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 paragraphs (i) or (ii), 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 AB1 Advances 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 AB1 Notes outstanding, and will only be entitled to purchase Class AB1 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 sections 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 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 monies 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 is 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 and the Second Supplemental Borrower Deed of Charge will be entered into on the Third Closing Date (together, the “**Borrower Deed of Charge**”).

Pursuant to the Second 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 Third 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 and the Second Supplemental Borrower Deed of Charge, each Obligor has provided, or will on the Third 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 Third 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 Insurance Policies under which it is an insured party 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 monies 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 monies standing to the credit of the Obligor Accounts to make each of the payments

set out in paragraphs (a) to (o) 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 to 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 the Swap Counterparty under the Interest Rate Swap Agreement and any other swap counterparty under any swap agreement (other than in respect of any Swap Subordinated Amounts) or, if the transactions under the 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 and the Term A5 Advances (other than any Term A5 Step-Up Amounts); and

- (ii) the Initial Borrower to the Issuer under the Issuer/Borrower Swap Agreement;
- (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 and the Term A5 Advances (other than any Term A5 Step-Up Amounts);
- (h) *eighth*, in or towards satisfaction, of interest due or accrued but unpaid under the Term AB1 Advances (other than any Term AB1 Step-Up Amounts);
- (i) *ninth*, in or towards satisfaction, of all amounts or principal and other amounts payable in respect of the Term AB1 Advances (other than any Term AB1 Step-Up Amounts);
- (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, of any amounts due and owing by the Obligors to the Issuer in respect of any Term AB1 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*, to the Initial Borrower and/or any other Obligor in or towards payment of any other amounts in accordance with the Borrower Transaction Documents (including, without limitation, in or towards Capital Enhancement Expenditure).

In addition, if the Initial Borrower is required as described in the section entitled "*Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Stamp Duty Land Tax Reserve*" above to create an SDLT 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 SDLT 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 Provider (and any facility agent and arranger under the Liquidity Facility Agreement) under the Liquidity Facility Agreement (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 Provider (and any facility agent and arranger under the Liquidity Facility Agreement) under the Liquidity Facility Agreement (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 the Swap Counterparty under the Interest Rate Swap Agreement and any other swap counterparty under any swap agreement (other than in respect of any Swap Subordinated Amounts) or, if the transactions under the 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 and the Term A5 Advances (other than any Term A5 Step-Up Amounts); and
  - (ii) the Initial Borrower to the Issuer under the Issuer/Borrower Swap Agreement;
- (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 and the Term A5 Advances (other than any Term A5 Step-Up Amounts);
- (k) *eleventh*, in or towards satisfaction, of interest due or accrued but unpaid under the Term AB1 Advances (other than any Term AB1 Step-Up Amounts);
- (l) *twelfth*, in or towards satisfaction, of all amounts of principal and other amounts payable in respect of the Term AB1 Advances (other than any Term AB1 Step-Up Amounts);
- (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, of any amounts due and owing by the Obligors to the Issuer in respect of any Term AB1 Step-Up Amounts;
- (s) *nineteenth*, 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
- (t) *twentieth*, 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 monies 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 Provider (and any facility agent and arranger under the Liquidity Facility Agreement) under the Liquidity Facility Agreement (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 Provider (and all facility agents and arrangers under the Liquidity Facility Agreement) under the Liquidity Facility Agreement (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 the Interest Rate Swap Agreement and any other swap counterparty under any swap agreement (other than in respect of any Swap Subordinated Amounts) or, if the 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 and the Term A5 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
- (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 and the Term A5 Advances (other than any Term A5 Step-Up Amounts);
- (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 AB1 Advances (other than any Term AB1 Step-Up Amounts);

- (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 AB1 Advances (other than any Term AB1 Step-Up Amounts);
- (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;
- (n) *fifteenth*, in or towards satisfaction, of any amounts due and owing by the Obligors to the Issuer in respect of any Term AB1 Step-Up Amounts;
- (p) *sixteenth*, 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
- (q) *seventeenth*, the surplus (if any) to the Obligors.

### ***Governing Law***

The Borrower Deed of Charge is 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 and, on the Second Closing Date, entered into new back-to-back hedging arrangements (the "**Second Issuer/Borrower Swap Agreement**"). The Initial Borrower will, on or prior to the Third Closing Date, enter into the 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**"). The terms of the Issuer/Borrower Swap Agreement are, and will be, in all material respects, equivalent to those of the Interest Rate Swap Agreement (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 the Swap Counterparty under the 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 Third Closing Date (with the Additional Account Bank also becoming party thereto).

In this section of this Offering Circular, 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, monies 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**”). Monies 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 Obligor 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.

Monies 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;
- (b)
  - (i) 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”; and
  - (ii) 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
- (c) 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” 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 is 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 as will be further amended and restated on or about 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 arms' 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 as will be further amended and restated on or about 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 of 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 providing 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 as will be further amended and restated on or about the Third Closing Date) with Supply Co which granted to the Initial Borrower, or procured the grant, or will, following its amendment and restatement on the Third 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 the “Hungry Horse” logo and all rights of SupplyCo under the Hungry Horse Licence (as defined below) and all intellectual property rights relating to beverages manufactured by SupplyCo. The IP Licence Agreement is royalty free.

The “Hungry Horse” logo is licensed by its creator to Greene King and its subsidiaries pursuant to a written, royalty-bearing exclusive licence agreement dated 15 August, 2007, which expires on 15 August, 2008 (the “**Hungry Horse Licence**”). SupplyCo is under an obligation to use reasonable endeavours to procure that the Initial Borrower is granted a non-exclusive, royalty-free and irrevocable licence of the “Hungry Horse” logo. On termination of the current Hungry Horse Licence, or in the event that the Initial Borrower ceases to be a subsidiary of Greene King, Supply Co will be obliged to use its best endeavours to procure a further licence of the “Hungry Horse” logo to the Initial Borrower.

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 any “GREENE KING”, “1799”, “Belhaven”, “Hardys & Hansons”, “Hardy’s” and “Hardys” trademarks (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.

The IP Licence Agreement and the IP Option are governed by English law.

### **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 as it will be further amended and restated on the Third 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**”) and (ii) on the Second Closing Date, a further subordinated loan in an aggregate principal amount of £221,687,500 (the “**Second Subordinated Loan**”, together with the First 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 Loan Payment Date falling in June 2011 and (ii) in respect of the Second Subordinated Loan prior to the Loan Payment Date falling in June 2012, or, in each case, such earlier date agreed between Greene King and the Initial Borrower and approved by the Borrower Security Trustee provided that the Borrower Security Trustee shall only approve such an earlier date if it determines that it would not be materially prejudicial to the Borrower Secured Creditors or if the Ratings Test is satisfied.

On the Third Closing Date, the Initial Borrower will be permitted to pay accrued interest and partially repay principal in respect of the Initial Borrower Subordinated Loan in an aggregate amount of £63,879,880. Following such repayment, the principal amount outstanding of the Initial Borrower Subordinated Loan as at the Third Closing Date will be £373,047,339.

The Initial Borrower Subordinated Loan Agreement is 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 as it is to be amended and restated on or about the Third 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 Third Closing Date, make representations and have given and will, on the Third 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 and GKB&R has 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 as a result of the withdrawal of group relief under paragraph 3 of Schedule 7 to the Finance Act 2003 (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 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 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 or Tap Transfers in excess of, broadly, £90 million (each such transfer being a “**Collateralisable Transfer**”),

Greene King and GKB&R 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 are required to provide such cash collateral, the Initial Borrower 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 and GKB&R under the Tax Deed of Covenant, such payment being deemed to be a Restricted Payment made by the Initial Borrower.

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.

GKRNo.2, which will be a member of the Tax Indemnified Group as at the Third Closing Date, has, save for certain outstanding intra-group balances, been dormant since the First Closing Date. It is

intended that after the Third Closing Date, the shares in GKRNo.2 held by the Initial Borrower will be transferred to another member of the Greene King Group and/or that proceedings for the winding-up of GKRNo.2 will be commenced. With effect from the GKRNo.2 Release Date, GKRNo.2 will be released from its obligations under the Transaction Documents, shall cease to be a party to the Tax Deed of Covenant and shall cease to be a member of the Tax Indemnified Group.

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 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 (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 is governed by English law.

## DESCRIPTION OF THE ISSUER TRANSACTION DOCUMENTS

*The following is a summary 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, the Liquidity Facility Provider, 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, the Liquidity Facility Provider, the Swap Counterparty, the Note Trustee, the Initial Borrower and the Issuer Security Trustee. The Second Supplemental Issuer Deed of Charge will be entered into on the Third Closing Date by, *inter alios*, the Issuer, the Liquidity Facility Provider, the Swap Counterparty, the Note Trustee, the Initial Borrower and the Issuer Security Trustee (together with the Original Issuer Deed of Charge and the First 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 and the Second Supplemental Issuer Deed of Charge, the Issuer granted, or will on the Third 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:

- (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 Third 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 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
- (e) 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 and the Second 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 Provider under the Liquidity Facility Agreement and the Issuer Deed of Charge;
- (c) the Swap Counterparty under the Interest Rate Swap Agreement 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)) 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 Provider (and any facility agent and arranger under the Liquidity Facility Agreement) under the Liquidity Facility Agreement (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 Initial Account Bank 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 of payment of all amounts of principal, interest and other amounts due but unpaid to the Liquidity Facility Provider (and any facility agent and arranger under the Liquidity Facility Agreement) under the Liquidity Facility Agreement (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:
- (i) the Swap Counterparty under the Interest Rate Swap Agreement; and
  - (ii) any other swap counterparty under any other swap agreement entered into by the Issuer,

such amounts to include any amounts due from the Issuer to the Swap Counterparty or any other relevant swap counterparty on termination of any transaction under the Interest Rate Swap Agreement or such other swap agreement (as the case may be) (the "**Swap Termination Payments**") (other than any amounts due on termination of the transactions under the Interest Rate Swap Agreement or any other relevant swap agreement due to the occurrence of an event of default in respect of which the Swap Counterparty is the defaulting party or any additional termination event relating to a ratings downgrade of the Swap Counterparty (the "**Swap Subordinated Amounts**")) or, in the event of the transactions under the 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; and
  - (v) interest due but unpaid under the Class A5 Notes (other than any Class A5 Step-Up Amounts);
- (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 and the Class A5 Notes (other than any Class A5 Step-Up Amounts);
- (h) *eighth*, in or towards satisfaction, of all amounts of interest due but unpaid under the Class AB1 Notes (other than any Class AB1 Step-Up Amounts);
- (i) *ninth*, in or towards satisfaction, of the amounts in respect of principal and all other amounts then due under the Class AB1 Notes (other than any Class AB1 Step-Up Amounts),
- (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, of any amounts due in respect of any Class AB1 Step-Up Amounts;
- (p) *sixteenth*, 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;
- (q) *seventeenth*, 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;
- (r) *eighteenth*, 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);

- (s) *nineteenth*, the Issuer Profit Amount to the Issuer (which may be applied by the Issuer in paying dividends on its ordinary share capital); and
- (t) *twentieth*, the surplus (if any) to the Borrowers by way of rebate of the Ongoing Facility Fee in accordance with the Issuer/Borrower Facility Agreement.

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 (s) 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 the Swap Counterparty on termination of any transaction entered into under the 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 transactions 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 make a drawing under the Liquidity Facility or, to the extent amounts have been credited thereto, from the Liquidity Facility Reserve Account (all as further described in the section entitled "*Liquidity Facility Agreement*" below).

#### *Issuer Post-Acceleration Priority of Payments*

All monies 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 Account (which are to be paid directly and only to the Liquidity Facility Provider) and (b) any Swap Collateral Amounts (which are to be applied in returning collateral to, or in satisfaction of amounts owing by, the Swap Counterparty in accordance with the 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 Provider (and any facility agent and arranger under the Liquidity Facility Agreement) under the Liquidity Facility Agreement (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 Bank 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 of payment of all amounts of principal, interest and other amounts due but unpaid to the Liquidity Facility Provider (and any facility agent and arranger under the Liquidity Facility Agreement) under the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts);
- (d) *fourth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts due but unpaid to:
- (i) the Swap Counterparty under the Interest Rate Swap Agreement; and
- (ii) any other swap counterparty under any swap agreement entered into by the Issuer,
- in the case of paragraphs (i) and (ii), 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 and the Class A5 Notes (other than any Class A1 Step-Up Amounts, any Class A3 Step-Up Amounts and 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 and the Class A5 Notes (other than any Class A1 Step-Up Amounts, any Class A3 Step-Up Amounts and any Class A5 Step-Up Amounts);
- (g) *seventh*, in or towards satisfaction, of all amounts of interest due but unpaid under the Class AB1 Notes (other than any Class AB1 Step-Up Amounts);
- (h) *eighth*, in or towards satisfaction, of all amounts in respect of principal and all other amounts then due under the Class AB1 Notes (other than any Class AB1 Step-Up Amounts);

- (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, of any amounts due in respect of any Class AB1 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 amounts due to the Initial Borrower under the Issuer/Borrower Facility Agreement (other than amounts due under paragraph (l) above);
- (q) *seventeenth*, the Issuer Profit Amount to the Issuer; and
- (r) *eighteenth*, the surplus (if any) to the Borrowers by way of rebate of the Ongoing Facility Fee in accordance with the Issuer/Borrower Facility Agreement.

Notwithstanding the above, to the extent that the Issuer receives any termination payment from the Swap Counterparty on termination of any transaction entered into under the 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 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.

## 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 AB1 Profit Margin, the Term B1 Profit Margin and/or the Term B2 Profit Margin;

“**Liquidity Subordinated Amounts**” means, in relation to the Liquidity Facility the aggregate of any amounts payable by the Issuer to the Liquidity Facility Provider in respect of its obligation (i) to gross-up any payments made by it in respect of the 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 the 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 the Liquidity Facility Provider or (iii) certain costs associated with the replacement of any Liquidity Facility Provider; and

“**Swap Excluded Amounts**” means:

- (a) if the transactions under the Interest Rate Swap Agreement are terminated in circumstances where the Issuer enters into a replacement interest rate swap agreement, amounts received by the Issuer (the “**Swap Replacement Amounts**”):
  - (i) from the Swap Counterparty by way of termination payments relating to the termination of the transactions under the 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 the Interest Rate Swap Agreement (which amounts are to be applied by the Issuer in payment of such termination payment due to the Swap Counterparty); and
- (b) amounts standing to the credit of the Swap Collateral Ledger or representing amounts attributable to assets transferred as collateral by the Swap Counterparty following the occurrence of a ratings downgrade of the Swap Counterparty (being “**Swap Collateral Amounts**”) (which are to be applied in returning collateral to, or in satisfaction of amounts owing by, the Swap Counterparty in accordance with the Interest Rate Swap Agreement).

### ***Governing Law***

The Issuer Deed of Charge is governed by English law (other than in respect of any fixed or floating charge over Scottish Assets, which shall be governed by Scots 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 Third 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 and the Liquidity Facility 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 Account) 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 (the “**Swap Collateral Ledger**”), to which it will credit all cash collateral transferred by the Swap Counterparty and all other amounts attributable to assets transferred as collateral by the Swap Counterparty. The Cash Manager will also maintain a record of all other collateral (and the income in respect thereof) transferred by the 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 in satisfaction of amounts owing by, the Swap Counterparty who has transferred such collateral in accordance with the Interest Rate Swap Agreement and will not be applied in accordance with the applicable Issuer Priority of Payments.

### ***Liquidity Facility Reserve Account***

The Issuer has established a Liquidity Facility Reserve Account with the Initial Account Bank for the purpose of receiving and subsequently applying the Liquidity Facility Reserve Amount as more particularly described in the section entitled “*Liquidity Facility Agreement*” 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 is governed by English law.

### ***Liquidity Facility Agreement***

On the First Closing Date, the Issuer entered into a liquidity facility agreement pursuant to which 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 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. On the Third 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 and the Third Closing Date being referred to herein as the “**Liquidity Facility Agreement**”) such that the Liquidity Facility Provider will 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) (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 available to be drawn to pay interest and principal in respect of the Class AB1 Notes and the Class B Notes will be limited to £33.5 million until such time as the Class AB1 Notes are the most senior ranking class of Notes outstanding and the maximum aggregate amount of the Liquidity Facility 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. The Liquidity Facility Provider may, at its discretion, if requested to do so by the Issuer, renew the commitment period of the Liquidity Facility for a further 364-day period and the Liquidity Facility Provider has in each of March 2006, March 2007 and March 2008 agreed to renew the commitment period of the Liquidity Facility such that, as at the Third Closing Date, the current date for termination of the Liquidity Facility Provider’s commitment period will be 4 March, 2009.

Provided that the 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 the Liquidity Facility Provider under the 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 the Liquidity Facility Provider is equal to the amount that it would have received had no such withholding or deduction been required to be made.

The Liquidity Facility Agreement provides that the 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 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 the Liquidity Facility may be cancelled and the amounts available under the Liquidity Facility may be reduced to zero.

In addition, the Liquidity Facility Agreement provides that (a) if the Liquidity Facility Provider declines to renew the commitment period of the Liquidity Facility upon request by the Issuer and/or (b) the Liquidity Facility Provider’s short term, unsecured, unsubordinated and unguaranteed debt obligations cease to be rated at least the Minimum Short-Term Ratings and, in either case, the Issuer is unable within a period of 10 days to find a replacement Liquidity Facility Provider with the Minimum Short-Term Ratings ((b) being a “**Liquidity Downgrade Event**” and each of (a) and (b) being a “**Liquidity Event**”), the Issuer will be entitled to require the Liquidity Facility Provider to pay into a designated bank account of the Issuer (the “**Liquidity Facility Reserve Account**”), maintained with the Liquidity Facility Provider for so long as the Liquidity Facility Provider has the Minimum Short-Term Ratings (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 Minimum Short-Term Ratings and which is within the charge to United Kingdom corporation tax) an amount equal to its undrawn commitment under the Liquidity Facility Agreement (the “**Standby Deposit**”).

The Standby Deposit itself and the Liquidity Facility Reserve Account will not be available to the Issuer Secured Creditors generally.

Amounts standing to the credit of the 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 Liquidity Facility Agreement. Such a liquidity drawing will accrue interest and be repayable as previously described, except that, until the Liquidity Facility Provider is replaced or the Liquidity Event which gave rise to the Standby Deposit is remedied, repayment will be made into the Liquidity Facility Reserve Account. Any costs incurred by the Issuer in obtaining a replacement liquidity facility or in utilising the Liquidity Facility will be borne by the Borrowers.

Following the delivery by the Issuer Security Trustee of a Note Enforcement Notice to the Issuer, any amounts then standing to the credit of the Liquidity Facility Reserve Account which represent the Standby Deposit will be paid to the Liquidity Facility Provider and will not be available to the Noteholders.

### ***Governing Law***

The Liquidity Facility Agreement is governed by English law.

### **Interest Rate Swap Agreement**

The Issuer has entered into a series of interest rate swap transactions on the First Closing Date and the Second Closing and will, by a deed of novation and amendment between Greene King, the Issuer and the Swap Counterparty, enter into an additional series of interest rate swap transactions on the Third Closing Date pursuant to the Interest Rate Swap Agreement 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. The transactions under the Interest Rate Swap Agreement take the form of fixed/floating interest rate swaps and/or other appropriate arrangements acceptable to the Rating Agencies from time to time.

Pursuant to the terms of the Interest Rate Swap Agreement, 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 or, in the case of the Class A5 Notes and the Class AB1 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 (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, (iii) in respect of the Class A5 Notes will increase after the Class A5 Step-Up Date, (iv) in respect of the Class AB1 Notes will increase after the Class AB1 Step-Up Date and (v) 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. The 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 the Swap Counterparty under the Interest Rate Swap Agreement are netted so that only a net amount will be due from the Issuer or the 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..

### ***Ratings downgrade of the Swap Counterparty***

If the ratings assigned to the long-term and/or short term unsecured, unsubordinated and unguaranteed debt obligations of the 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; or (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 the Swap Counterparty.

### ***Consequences of failure to take remedial action***

A failure by the 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 Interest Rate Swap Agreement.

### ***Excess collateral***

The Cash Manager is obliged to maintain the Swap Collateral Ledger in respect of collateral transferred by the Swap Counterparty 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 the Swap Counterparty in accordance with the 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 the Interest Rate Swap Agreement, or (ii) it is entitled to have returned to it under the Interest Rate Swap Agreement will be returned to the 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 the 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 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 the Swap Counterparty, will, other than in limited circumstances, rank in priority to amounts due to the Noteholders.

### ***Transfer***

The Swap Counterparty may at its discretion and its own cost transfer all of its rights and obligations under the Interest Rate Swap Agreement 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 the Interest Rate Swap Agreement and the related transactions will be guaranteed in full by the Swap Counterparty.

### ***Security and Ranking***

The Issuer's obligations to the Swap Counterparty under the 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 the 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 the 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 AB1 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 the Interest Rate Swap Agreement.

If a Tax Termination Event occurs, the party required to pay an increased amount may terminate the Interest Rate Swap Agreement, subject to the Swap Counterparty being required to use reasonable efforts to transfer its rights and obligations in respect of the Interest Rate Swap Agreement such that payments made by and to that third party swap provider under the 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 the 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 the Swap Counterparty or a suitably rated swap counterparty acceptable to the Rating Agencies in order to hedge any interest rate risk associated with the payments due on such Notes. The Swap Counterparty is not obliged to enter into any further swap transactions.

### ***Governing Law***

The Interest Rate Swap Agreement is 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 as it is to be amended and restated on or about the Third 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 ten (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 is 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 thirtieth 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 net proceeds from the issue of the Third Issue Notes will be £349,825,000.

On the Third 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 net proceeds from the issue of the Notes to make the Third Term Advances to the Initial Borrower in an aggregate principal amount of £350,000,000 (taking into account amounts deemed to be advanced in respect of the discounts applied to the Third Term A5 Advance and the Third Term AB1 Advance).

On the Third Closing Date, upon receipt by the Initial Borrower of the Third 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 Belhaven Group Properties Limited; and/or
- (b) in or towards payment of accrued interest and repayment of principal 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 Offering Circular.

## 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. The authorised share capital of the Issuer is £50,000 divided into 50,000 ordinary shares of £1 each, 50,000 of which are issued. 49,999 of those shares are held by Greene King Finance Parent Limited (the “**Issuer Parent**”) and one is 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 Offering Circular 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:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
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

The sole director of L.D.C. Securitisation Director No. 3 Limited and L.D.C. Securitisation Director No. 4 Limited and its principal activity is:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
Law Debenture Securitisation Services Limited	Fifth Floor, 100 Wood Street, London EC2V 7EX	Provision of directors for special purpose companies

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 Denyse Monique Anderson, 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 Offering Circular, as adjusted for the issue of the Third Issue Notes, is as follows:

#### Share Capital

*Authorised:*

£50,000 divided into 50,000 ordinary shares of £1 each.....	£50,000
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*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
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#### Loan Capital

£150,000,000 Class A1 Secured Floating Rate Notes due 2031.....	£150,000,000
£320,000,000 Class A2 Secured 5.318 per cent. Notes due 2031.....	£279,084,800
£170,000,000 Class A3 Secured Floating Rate Notes due 2021.....	£161,930,100
£265,000,000 Class A4 Secured 5.106 per cent. Notes due 2034.....	£265,000,000
£290,000,000 Class A5 Secured Floating Rate Notes due 2033.....	£290,000,000
£60,000,000 Class AB1 Secured Floating Rate Notes due 2036.....	£60,000,000
£130,000,000 Class B1 Secured Fixed/Floating Rate Notes due 2034.....	£130,000,000
£115,000,000 Class B2 Secured Floating Rate Notes due 2036.....	£115,000,000
<b>Total capitalisation and indebtedness:</b> .....	<b>£1,451,027,401.50</b>

Save for the foregoing, as at the date of this Offering Circular, 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.

## 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. The authorised share capital of Issuer Parent is £2 divided into 2 ordinary shares of £1 each, all of which are issued and are credited as fully paid. The issued fully paid ordinary shares are 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 Offering Circular 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 Offering Circular) 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:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
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

The sole director of L.D.C. Securitisation Director No. 3 Limited and L.D.C. Securitisation Director No. 4 Limited and its principal activity is:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
Law Debenture Securitisation Services Limited	Fifth Floor, 100 Wood Street London EC2V 7EX	Provision of directors for special purpose companies

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 Denyse Monique Anderson, 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 Offering Circular is as follows:

### Share Capital

*Authorised:*

£2 divided into 2 ordinary shares of £1 each ..... £2

*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 Offering Circular, 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. The authorised share capital of the Initial Borrower is £100 divided into 100 ordinary shares of £1 each, of which one is 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 Offering Circular 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:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
Justin Peter Renwick Adams	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Rooney Anand	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Ian Alan Bull	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
David John Elliott	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Jonathan Robert Lawson	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Jonathan Paul Webster	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 Offering Circular, as adjusted for the Third Term Advances and

the repayment in part of the Initial Borrower Subordinated Loan on the Third Closing Date, is as follows:

### Share Capital

*Authorised:*

£100 divided into 100 ordinary shares of £1 each .....	£100
--	------

*Issued:*

1 ordinary share of £1, issued fully paid or credited as fully paid .....	£1
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### Loan Capital

£150,000,000 Term A1 Facility .....	£150,000,000
£320,000,000 Term A2 Facility .....	£279,084,800
£170,000,000 Term A3 Facility .....	£161,930,100
£265,000,000 Term A4 Facility .....	£265,000,000
£290,000,000 Term A5 Facility .....	£290,000,000
£60,000,000 Term AB1 Facility .....	£60,000,000
£130,000,000 Term B1 Facility.....	£130,000,000
£115,000,000 Term B2 Facility.....	£115,000,000
Initial Borrower Subordinated Loan from Greene King plc.....	£373,047,339
<b>Total capitalisation and indebtedness:</b> .....	<b>£1,824,062,240</b>

Save for the foregoing, at the date of this Offering Circular, 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 30 April, 2006 and 29 April, 2007**

## Greene King Retailing Limited

Report and Accounts  
30 April 2006

*Registered number: 5265451*

## ***Greene King Retailing Limited – Directors’ Report***

### *Principal activities and review of the business*

The company’s principal activities are the management of public houses and the wholesaling and retailing of beers, wines, spirits and soft drinks.

The company acquired 904 pubs from Greene King Retailing No.2 Limited on 7 March 2005, for a combined total consideration (in the form of intercompany debt) of £679.6 million.

On 7 March 2005, £600 million of bonds were issued in connection with the securitisation of the business by another company and these funds were then on-lent to the company and used to refinance the acquisition.

### *Events since the year end*

Since the year end, on 8 May 2006, a further £550 million of bonds were issued as a tap of the original securitisation, involving an additional 801 pubs. The bonds are secured over the properties and their future income streams and were issued by Greene King Finance plc.

### *Results and dividends*

The retained profit after tax and interest was £2,165,000 (2005 £355,200). The directors do not recommend payment of a dividend (2005 £nil).

### *Directors and their interests*

The directors during the period were as follows:

R Anand	
M Angela	
DJ Elliott	
MJ Shallow	(resigned 31 December 2005)
J Adams	(appointed 5 September 2005)
I Bull	(appointed 9 January 2006)

None of the directors held any interest in the share capital of the company at any time during the period. The interests of the directors in the shares of the ultimate parent company, Greene King plc, are shown in the accounts of that company.

### *Indemnity provision / directors’ liabilities*

The company has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision is in force as at the date of approving the directors’ report.

### *Statement as to disclosure of information to auditors*

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 auditors, 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 auditors are 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 auditors are aware of that information.

*Payments to suppliers*

All purchases are made through a supply company, Greene King Brewing and Retailing Limited, and payments are made in accordance with the intragroup supply agreement.

*Auditors*

Resolutions have been passed dispensing with the need to hold an AGM and re-appoint auditors annually.

By order of the board

Mrs LA Keswick  
Company Secretary  
Date: 20 February 2007

### ***Statement of directors' responsibilities in respect of the accounts***

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### *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 30 April 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors*

The directors' responsibilities for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

In addition we report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### *Basis of opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### *Opinion*

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2006 and of its profit for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP  
Registered auditor  
Cambridge  
Date: 20 February 2007

***Profit and loss account***

for the period ended 30 April 2006

	<i>Notes</i>	<b>52 weeks ended 30 April 2006 £'000</b>	8 weeks ended 1 May 2005 £'000
Turnover	2	<b>265,937</b>	41,356
Trading expenses	3	<b>(206,828)</b>	(32,177)
Operating profit	4	<b>59,109</b>	9,179
Net interest payable	6	<b>(51,985)</b>	(7,893)
Profit on ordinary activities before taxation		<b>7,124</b>	1,286
Taxation	7	<b>(4,959)</b>	(931)
Retained profit transferred to reserves	18	<b>2,165</b>	355

There are no other recognised gains and losses for the year. All activities related to continuing operations.

*Greene King Retailing Limited*

**Balance Sheet**

as at 30 April 2006

	<i>Notes</i>	<b>2006</b> <b>£'000</b>	2005 £'000
<b>Fixed assets</b>			
Intangible fixed assets	8	<b>174,820</b>	184,096
Tangible fixed assets	9	<b>515,471</b>	509,841
Investments	10	<b>22,448</b>	22,448
		<b>712,739</b>	716,385
<b>Current assets</b>			
Stocks	11	<b>3,303</b>	2,614
Debtors	12	<b>131,205</b>	131,250
Cash at bank		<b>22,392</b>	20,251
<b>Creditors: due within one year</b>			
Short term debt	15	<b>(13,086)</b>	(12,801)
Other creditors	13	<b>(49,843)</b>	(40,430)
<b>Net current assets</b>		<b>93,971</b>	100,884
<b>Total assets less current liabilities</b>		<b>806,710</b>	817,269
<b>Creditors: due after more than one year</b>			
Other creditors	14	<b>(215,240)</b>	(215,240)
Medium and long term debt	15	<b>(571,432)</b>	(585,112)
<b>Provisions for liabilities and charges</b>			
Deferred tax	16	<b>(17,518)</b>	(16,562)
<b>Net assets</b>		<b>2,520</b>	355
<b>Capital and reserves</b>			
Called up share capital	17	-	-
Profit and loss account	18	<b>2,520</b>	355
<b>Equity shareholder's funds</b>	18	<b>2,520</b>	355

Approved by the Board of Directors on 20 February 2007 and signed on its behalf by:

**I Bull**

Director

## ***Greene King Retailing Limited***

### **Notes to the accounts**

for the period ended 30 April 2006

#### **1. Accounting policies**

##### *Basis of preparation*

The accounts are prepared in accordance with the Companies Act 1985 and applicable accounting and financial reporting standards. They are prepared under the historical cost convention.

##### *Group accounts*

Group accounts have not been prepared in accordance with the exemption allowed by Section 228 of the Companies Act 1985 because the company is a wholly owned subsidiary of another UK company which prepares group accounts.

##### *Cash Flow Statement*

The company has taken advantage of the exemption permitted by FRS1, whereby a wholly owned subsidiary need not prepare a cash flow statement provided the consolidated financial statements in which the subsidiary undertakings are included are publicly available.

##### *Goodwill policy*

Goodwill arising from the premium paid on businesses acquired is amortised over its estimated useful life of twenty years.

##### *Depreciation*

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 lives which range from three to twenty years. Where the carrying value of properties may not be recoverable an impairment in the value of fixed assets is charged to the profit and loss account.

##### *Stocks*

Stocks are valued at the lower of cost and net realisable value and where applicable include an element of production overheads.

##### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date and is calculated using the tax rates at the balance sheet date. Deferred tax is not recognised when an asset is sold if it is more likely than not that the taxable gain will be rolled over. Provisions for deferred tax are not discounted.

##### *Leasing commitments*

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

## 2. 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 activities. The principal business activities are the management of public houses, the brewing of beers and the wholesaling and retailing of beers, wines, spirits and soft drinks.

## 3. Trading expenses

	<b>52 weeks ended 30 April 2006 £'000</b>	8 weeks ended 1 May 2005 £'000
Raw materials, consumables and excise duty	<b>83,420</b>	13,285
Employment costs	<b>46,397</b>	7,081
Other operating charges	<b>77,011</b>	11,811
	<b>206,828</b>	32,177

## 4. Operating profit

	<b>2006 £'000</b>	2005 £'000
Operating profit is stated after charging:		
Depreciation of land and buildings	<b>1,278</b>	244
Depreciation of fixtures, fittings and equipment	<b>10,240</b>	1,341
Profit on disposal of properties	<b>(56)</b>	-
Amortisation of goodwill	<b>9,276</b>	1,427
Operating leases – property	<b>9,455</b>	1,462
Operating leases – other	<b>13</b>	-

The auditors were remunerated by the parent company.

## 5. Employment costs

During the period the company paid £46.4 million (2005 £7.1 million) to Greene King Brewing and Retailing Limited to procure the secondment of employees from two fellow subsidiary companies, Greene King Services Limited and Greene King Retail Services Limited.

The average number of employees seconded during the period was as follows:

	<b>52 weeks ended 30 April 2006 No</b>	8 weeks ended 1 May 2005 No
Retailing	<b>5,437</b>	5,342

The figure above includes 3,079 (2005: 2,998) part-time employees.

Pension contributions in respect of the employees working for the company are borne by the fellow subsidiary companies. The directors are employed by Greene King Services Limited and their remuneration for services to the Greene King group is shown in the accounts of Greene King plc.

## 6. Net interest payable

	52 weeks ended 30 April 2006 No	8 weeks ended 1 May 2005 No
<b>Interest payable and similar charges</b>		
Borrowings	32,531	4,965
Subordinated loans from group undertakings	26,831	4,054
	59,362	9,019
<b>Interest receivable</b>		
Cash at bank and in hand	(926)	(110)
Loans to group companies	(6,451)	(1,016)
	51,985	7,893

## 7. Taxation

	52 weeks ended 30 April 2006 No	8 weeks ended 1 May 2005 No
<b>Current taxation</b>		
Corporation tax	4,003	767
<b>Deferred taxation</b>		
Origination and reversal of timing differences	956	164
Total	4,959	931

### Factors affecting current taxation charge for year

The effective rate of taxation is higher than the full rate of corporation tax. The differences are explained below:

	52 weeks ended 30 April 2006 No	8 weeks ended 1 May 2005 No
Profit on ordinary activities before tax	7,124	1,286
Profit on ordinary activities multiplied by standard rate corporation tax 30% (2005: 30%)	2,137	386
Expenses not deductible for tax purposes:		
– goodwill	2,758	428
– other in year	64	117
Capital allowances in excess of depreciation	(956)	(164)
	4,003	767

### 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 £59.2 million (2005: £57.5 million).

## 8. Intangible assets

Intangible assets comprise goodwill arising on acquisitions.

	<b>2006</b>
	<b>£'000</b>
<b>Cost</b>	
At 1 May 2005	185,523
<b>At 30 April 2006</b>	<b>185,523</b>
<b>Amortisation</b>	
At 1 May 2005	(1,427)
Charged during the year	(9,276)
<b>At 30 April 2006</b>	<b>(10,703)</b>
<b>Net book value</b>	
<b>At 30 April 2006</b>	<b>174,820</b>
At 1 May 2005	184,096

Goodwill is being amortised evenly over the directors' estimate of its useful economic life of 20 years.

## 9. Tangible fixed assets

	<b>Land and buildings £'000</b>	<b>Fixtures, fittings &amp; equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
Balances at 1 May 2005	423,759	87,667	511,426
Additions	10,305	6,843	17,148
<b>Balances at 30 April 2006</b>	<b>434,064</b>	<b>94,510</b>	<b>528,574</b>
<b>Depreciation</b>			
Balances at 1 May 2005	244	1,341	1,585
Provided in these accounts	1,278	10,240	11,518
<b>Balances at 30 April 2006</b>	<b>1,522</b>	<b>11,581</b>	<b>13,103</b>
<b>Net book value</b>			
<b>At 30 April 2006</b>	<b>432,542</b>	<b>82,929</b>	<b>515,471</b>
At 1 May 2005	423,515	86,326	509,841

The net book value of land and buildings comprises:

	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
Freehold properties	414,845	406,186
Long leasehold properties	17,698	17,329
	<b>432,543</b>	<b>423,515</b>

## Future capital expenditure

	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
Contracted for	106	419

## 10. Investments

	2006	2005
	£'000	£'000
Shares in subsidiaries	22,448	22,448

Greene King Retailing No.2 Limited was acquired on 12 December 2005 for £1. The shares in the 'Sapphire' subsidiaries were acquired on 7 March 2005 for £22.4 million.

Details of the investments in principal subsidiaries are given as follows:

<i>Name of Company</i>	<i>Country of registration</i>	<i>Holding</i>	<i>Proportion of voting rights &amp; shares held</i>	<i>Nature of business</i>
Greene King Retailing No. 2 Limited	England & Wales	Ordinary shares	100%	Pub retailing
Sapphire Food North East No. 1 Limited	England & Wales	Ordinary shares	100%	Property investment
Sapphire Food South West No. 2 Limited	England & Wales	Ordinary shares	100%	Property investment
Sapphire Food North West No. 3 Limited	England & Wales	Ordinary shares	100%	Property investment
Sapphire Food South East No. 4 Limited	England & Wales	Ordinary shares	100%	Property investment
Sapphire Rural Destination No. 5 Limited	England & Wales	Ordinary shares	100%	Property investment

## 11. Stocks

	2006	2005
	£'000	£'000
Finished goods and goods for resale	3,303	2,614

## 12. Debtors

	2006	2005
	£'000	£'000
Trade debtors	157	1,794
Other debtors	10,430	5,528
Loans to group undertakings	118,368	116,021
Prepayments and accrued income	2,250	7,907
	<b>131,205</b>	<b>131,250</b>

Included above are the following amounts falling due after more than one year:

Loans to group undertakings	115,004	115,004
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## 13. Creditors: amounts falling due within one year

	2006	2005
	£'000	£'000
Corporation tax	601	767
Other taxes and social security costs	13,172	10,730
Accruals and deferred income	10,037	11,847

<b>Amounts owed to group undertakings</b>		
Trade creditors	<b>15,753</b>	10,731
Loans from subsidiary undertakings	<b>6,889</b>	2,301
Accrued interest on subordinated loan (see note 14)	<b>3,391</b>	4,054
	<b>49,843</b>	40,430

**14. Creditors: amounts falling due after more than one year**

	<b>2006</b>	2005
	<b>£'000</b>	£'000
<b>Amounts owed to group undertakings</b>		
Subordinated loan	<b>215,240</b>	215,240

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 securitisation group meets its financial covenants.

**15. Borrowings**

	<b>Within One year £'000</b>	<b>2006 After One year £'000</b>	<b>Total £'000</b>
<b>Securitised debt</b>			
Term Advance A1	-	150,000	<b>150,000</b>
Term Advance A2	13,178	293,955	<b>307,133</b>
Term Advance B	-	130,000	<b>130,000</b>
	13,178	573,955	<b>587,133</b>
Deferred issue costs	(270)	(6,939)	<b>(7,209)</b>
Swap provision	178	4,416	<b>4,594</b>
	<b>13,086</b>	<b>571,432</b>	<b>584,518</b>

	<b>Within One year £'000</b>	<b>2005 After One year £'000</b>	<b>Total £'000</b>
<b>Securitised debt</b>			
Term Advance A1	-	150,000	<b>150,000</b>
Term Advance A2	12,900	307,100	<b>320,000</b>
Term Advance B	-	130,000	<b>130,000</b>
	12,900	587,100	<b>600,000</b>
Deferred issue costs	(298)	(6,561)	<b>(6,859)</b>
Swap provision	199	4,573	<b>4,772</b>
	<b>12,801</b>	<b>585,112</b>	<b>597,913</b>

**Maturity of financial liabilities and expiry of facilities**

	<b>2006</b>	2005
	<b>£'000</b>	£'000
Within one year or on demand	<b>13,086</b>	12,801
Between one and two years	<b>13,803</b>	13,305
Between two and five years	<b>15,477</b>	21,807
After five years	<b>542,152</b>	550,000
	<b>584,518</b>	597,9013

## Securitised debt

On 7 March 2005, £600.0 million of bonds were issued in connection with the securitisation. The bonds are secured over the group's properties and their future income streams, and were issued by Greene King Finance plc, a company outside of the group. The funds were on-lent to the company on similar terms and used to repay the subordinated loan from Greene King Brewing and Retailing Limited.

The securitisation is governed by various covenants, warranties and events of default, many of which apply to the group. These include covenants regarding the maintenance and disposal of properties and restrictions on its ability to move cash outside of the group.

## 16. Provisions for liabilities and charges

Deferred tax	2006 £'000	2005 £'000
Accelerated capital allowances	<b>17,518</b>	16,562
Opening provision	<b>16,562</b>	-
Acquired	-	16,398
Deferred tax charge	<b>956</b>	164
Closing provision	<b>17,518</b>	16,562

## 17. Share capital

Authorised

	2006 No	2005 No	2006 £	2005 £
Ordinary shares of £1 each	<b>100</b>	100	<b>100</b>	100

Allotted, called up and fully paid

	2006 No	2005 No	2006 £	2005 £
Ordinary shares of £1 each	<b>1</b>	1	<b>1</b>	1

On incorporation of the company 1 ordinary share of £1 was issued at par.

The directors of the company have no rights to subscribe for additional shares in the company.

## 18. Reconciliation of movements in shareholder's funds

	Share capital £'000	Profit and loss £'000	Total £'000
Retained profit	-	355	355
At 1 May 2005	-	355	355
Retained profit	-	2,165	2,165
<b>At 30 April 2006</b>	-	<b>2,520</b>	<b>2,520</b>

## 19. Other financial commitments

The annual commitments under non-cancellable operating leases are set out below:

	<b>2006</b>	2005
	<b>£'000</b>	£'000
<b>Property leases expiring</b>		
After more than five years	<b>169</b>	169
After more than five years to 'Sapphire' subsidiaries	<b>9,133</b>	9,202

**20. Related party transactions**

The company has taken advantage of the exemption from the requirement to disclose transactions with the ultimate parent company, Greene King plc, or with any fellow subsidiaries within the group.

**21. Ultimate parent company**

Since the year end, on 8 May 2006, a further £550 million of bonds were issued as a tap of the original securitisation, involving an additional 801 pubs. The bonds are secured over the properties and their future income streams and were issued by Greene King Finance plc.

**22. Ultimate parent company**

At 30 April 2006, the company's ultimate parent undertaking was Greene King plc, a company registered in England and Wales. Copies of its group accounts, which include the company, are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

**Greene King Retailing Limited**

Report and Accounts  
29 April 2007

*Registered number: 5265451*

## ***Greene King Retailing Limited – Directors’ Report***

### *Principal activities and review of the business*

The company’s principal activities are the management of public houses and the wholesaling and retailing of beers, wines, spirits and soft drinks.

On 8 May 2006, the company arranged additional borrowings in the form of £550 million of term loans secured against 801 pubs. This security was given as an extension of the original securitisation of the companies portfolio which took place on 5 March 2005. The term loans are secured over the properties and their future income streams and were issued by Greene King Finance plc, a company outside of the group.

Together with the activities of the non-securitised estate and the Belhaven business, both held within separate fellow subsidiaries, the overall Greene King business is contained within the Greene King plc group accounts. A comprehensive review of the overall group business can be found in the Greene King plc financial statements for the period ended 29 April 2007.

### *Results and dividends*

The retained profit after tax and interest was £15.2m (2006: £2.2m). The directors do not recommend payment of a dividend (2006: £nil).

### *Directors and their interests*

The directors during the period were as follows:

J Adams	
R Anand	
I Bull	
DJ Elliott	
JR Lawson	(appointed 10 April 2007)
JP Webster	(appointed 18 April 2007)
M Angela	(resigned 18 April 2007)

None of the directors held any interest in the share capital of the company at any time during the period. The interests of the directors in the shares of the ultimate parent company, Greene King plc, are shown in the accounts of that company.

### *Indemnity provision / directors’ liabilities*

The company has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision is in force as at the date of approving the directors’ report.

### *Statement as to disclosure of information to auditors*

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 auditors, 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 auditors are 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 auditors are aware of that information.

*Payments to suppliers*

All purchases are made through a supply company, Greene King Brewing and Retailing Limited, and payments are made in accordance with the intragroup supply agreement.

*Auditors*

Resolutions have been passed dispensing with the need to hold an AGM and re-appoint auditors annually.

By order of the board

Mrs LA Keswick  
Company Secretary  
Date: 5 June 2008

***Greene King Retailing Limited***

***Statement of directors' responsibilities in respect of the accounts***

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of 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 estimates that are reasonable and prudent; 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 confirm that the financial statements comply with the above requirements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

## *Greene King Retailing Limited*

### *Independent auditor's report*

to the members of Greene King Retailing Limited

We have audited the company's financial statements for the 52 weeks ended 29 April 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### *Opinion*

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 April 2007 and of its profit for the 52 weeks then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP  
Registered auditor  
London

Date: 5 June 2008

*Greene King Retailing Limited*

**Profit and loss account**

for the period ended 29 April 2007

	<i>Notes</i>	2007 £m Continuing	2007 £m Acquired	<b>2007 £m</b>	2006 £m
Turnover	2	<b>269.8</b>	<b>223.1</b>	<b>492.9</b>	265.9
Trading expenses	3	<b>(212.2)</b>	<b>(165.9)</b>	<b>(378.1)</b>	(206.8)
Operating profit	4	<b>57.6</b>	<b>57.2</b>	<b>114.8</b>	59.1
Profit on disposals		<b>8.8</b>	<b>4.7</b>	<b>13.5</b>	-
Net interest payable	6			<b>(104.7)</b>	(52.0)
Profit on ordinary activities before taxation				<b>23.6</b>	7.1
Taxation	7			<b>(8.4)</b>	(4.9)
Retained profit transferred to reserves	20			<b>15.2</b>	2.2

There are no other recognised gains and losses for the year. All activities related to continuing operations.

*Greene King Retailing Limited*

**Balance Sheet**

as at 29 April 2007

	<i>Notes</i>	<b>2007</b>	2006
		<b>£m</b>	£'000
<b>Fixed assets</b>			
Intangible fixed assets	8	<b>346.1</b>	174.8
Tangible fixed assets	9	<b>1,099.0</b>	515.5
Investments	10	<b>22.4</b>	22.4
		<b>1,467.5</b>	712.7
<b>Current assets</b>			
Stocks	11	<b>3.7</b>	3.3
Debtors	12	<b>351.8</b>	131.2
Cash at bank		<b>90.8</b>	22.3
<b>Creditors: due within one year</b>			
Short term debt	15	<b>(16.3)</b>	(13.1)
Other creditors	13	<b>(308.9)</b>	(49.8)
<b>Net current assets</b>		<b>121.1</b>	93.9
<b>Total assets less current liabilities</b>		<b>1,588.6</b>	806.6
<b>Creditors: due after more than one year</b>			
Other creditors	14	<b>(436.9)</b>	(215.2)
Medium and long term debt	15	<b>(1,098.9)</b>	(571.4)
<b>Provisions for liabilities and charges</b>			
Deferred tax	17	<b>(35.1)</b>	(17.5)
<b>Net assets</b>		<b>17.7</b>	<b>2.5</b>
<b>Capital and reserves</b>			
Called up share capital	19	-	-
Profit and loss account	20	<b>17.7</b>	2.5
<b>Equity shareholder's funds</b>	20	<b>17.7</b>	2.5

Approved by the Board of Directors on 5 June 2008 and signed on its behalf by:

**I Bull**

Director

## ***Greene King Retailing Limited***

### **Notes to the accounts**

for the period ended 29 April 2007

#### **1. Accounting policies**

##### *Basis of preparation*

The accounts are prepared in accordance with the Companies Act 1985 and applicable accounting and financial reporting standards. They are prepared under the historical cost convention.

##### *Group accounts*

Group accounts have not been prepared in accordance with the exemption allowed by Section 228 of the Companies Act 1985 because the company is a wholly owned subsidiary of another UK company which prepares group accounts.

##### *Cash Flow Statement*

The company has taken advantage of the exemption permitted by FRS1, whereby a wholly owned subsidiary need not prepare a cash flow statement provided the consolidated financial statements in which the subsidiary undertakings are included are publicly available.

##### *Goodwill policy*

Goodwill arising from the premium paid on businesses acquired is amortised over its estimated useful life of twenty years.

##### *Depreciation*

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 lives which range from three to twenty years. Where the carrying value of properties may not be recoverable an impairment in the value of fixed assets is charged to the profit and loss account.

##### *Stocks*

Stocks are valued at the lower of cost and net realisable value and where applicable include an element of production overheads.

##### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date and is calculated using the tax rates at the balance sheet date. Deferred tax is not recognised when an asset is sold if it is more likely than not that the taxable gain will be rolled over. Provisions for deferred tax are not discounted.

##### *Leasing commitments*

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

### *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.

### *Investments*

Investments in subsidiaries are recorded at cost and held as fixed assets on the balance sheet. Income is recognised from these investments only in relation to distributions received from post-acquisition profits.

## **2. 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 activities. The principal business activities are the management of public houses, the brewing of beers and the wholesaling and retailing of beers, wines, spirits and soft drinks.

## **3. Trading expenses**

	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>Continuing</b>	<b>Acquired</b>	<b>£m</b>	<b>£m</b>
Raw materials, consumables and excise duty	<b>82.4</b>	<b>70.0</b>	<b>152.4</b>	83.4
Employment costs	<b>47.4</b>	<b>34.7</b>	<b>82.1</b>	46.4
Other operating charges	<b>82.4</b>	<b>61.2</b>	<b>143.6</b>	77.0
	<b>212.2</b>	<b>165.9</b>	<b>378.1</b>	206.8

## **4. Operating profit**

	<b>2007</b>	<b>2006</b>
	<b>£m</b>	<b>£m</b>
Operating profit is stated after charging:		
Depreciation of land and buildings	<b>2.8</b>	1.3
Depreciation of fixed assets	<b>20.1</b>	10.2
Amortisation of goodwill	<b>18.5</b>	9.3
Operating lease rentals - property	<b>9.1</b>	9.5

The auditors were remunerated by the parent company.

## **5. Employment costs**

During the year the company paid £82.1 million (2006: £46.4 million) to Greene King Brewing and Retailing Limited, a fellow subsidiary company. 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 seconded during the period was as follows:

	<b>2007</b>	<b>2006</b>
	<b>No</b>	<b>No</b>
Retailing	<b>9,225</b>	5,437

The figure above includes 5,041 (2006: 3,079) part-time employees.

Pension contributions in respect of the employees working for the company are borne by the fellow subsidiary companies. The directors are employed by Greene King Services Limited and their remuneration for services to the Greene King group is shown in the accounts of Greene King plc.

#### 6. Net interest payable

	2007 £m	2006 £m
<b>Interest payable and similar charges</b>		
Borrowings	60.4	32.5
Subordinated loans from group undertakings	53.9	26.8
	<b>114.3</b>	59.3
<b>Interest receivable</b>		
Cash at bank and in hand	(3.0)	(0.9)
Loans to group companies	(6.6)	(6.4)
	<b>104.7</b>	52.0

#### 7. Taxation

	2007 £m	2006 £m
<b>Current taxation</b>		
Corporation tax	6.8	4.0
<b>Deferred taxation</b>		
Origination and reversal of timing differences	1.6	0.9
<b>Total</b>	<b>8.4</b>	4.9

#### Factors affecting current taxation charge for year

The effective rate of taxation is higher than the full rate of corporation tax. The differences are explained below:

	2007 £m	2006 £m
Profit on ordinary activities before tax	23.6	7.1
Profit on ordinary activities multiplied by standard rate corporation tax 30%	7.1	2.1
Expenses not deductible for tax purposes:		
– goodwill	5.6	2.8
– other in year	(0.1)	-
Capital allowances in excess of depreciation	(4.2)	-
	<b>8.4</b>	4.9

#### 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 £111.2 million (2006: £59.2 million).

## 8. Intangible assets

Intangible assets comprise goodwill arising on acquisitions.

	2007 £m
<b>Cost</b>	
At 30 April 2006	185.5
Acquisition (See note 18)	189.8
<b>At 29 April 2007</b>	<b>375.3</b>
<b>Amortisation</b>	
At 30 April 2006	10.7
Charged during the year	18.5
<b>At 29 April 2007</b>	<b>29.2</b>
<b>Net book value</b>	
<b>At 29 April 2007</b>	<b>346.1</b>
At 30 April 2006	174.8

Goodwill is being amortised evenly over the directors' estimate of its useful economic life of 20 years.

## 9. Tangible fixed assets

	Land and buildings £m	Fixtures, fittings & equipment £m	Total £m
<b>Cost</b>			
Balances at 30 April 2006	434.1	94.5	528.6
Acquisitions (note 18)	505.9	84.3	590.2
Additions	29.1	4.9	34.0
Disposals	(15.5)	(2.7)	(18.2)
<b>Balances at 29 April 2007</b>	<b>953.6</b>	<b>181.0</b>	<b>1,134.6</b>
<b>Depreciation</b>			
Balances at 30 April 2006	1.5	11.6	13.1
Provided in these accounts	2.8	20.1	22.9
Written back on disposals	(0.3)	(0.1)	(0.4)
<b>Balances at 29 April 2007</b>	<b>4.0</b>	<b>31.6</b>	<b>35.6</b>
<b>Net book value</b>			
<b>At 29 April 2007</b>	<b>949.6</b>	<b>149.4</b>	<b>1,099.0</b>
At 30 April 2006	432.6	82.9	515.5

The net book value of land and buildings comprises:

	<b>2007</b>	2006
	<b>£m</b>	£m
Freehold properties	<b>915.9</b>	414.8
Long leasehold properties	<b>33.7</b>	17.7
	<b>949.6</b>	432.5

<b>Future capital expenditure</b>	<b>2007</b>	2006
	<b>£m</b>	£m
Contracted for	<b>0.3</b>	0.1

On 1 December 2006, 68 pubs were disposed as a package, generating a profit on disposal of £12.7m. Other profits on disposal amounted to £0.8m.

## 10. Investments

	<b>2007</b>	2006
	<b>£m</b>	£m
Shares in subsidiaries	<b>22.4</b>	22.4

Details of the investments in principal subsidiaries are given as follows:

<b>Name of Company</b>	<b>Country of registration</b>	<b>Holding</b>	<b>Proportion of voting rights &amp; shares held</b>	<b>Nature of business</b>
Greene King Retailing No. 2 Limited	England & Wales	Ordinary shares	100%	Pub retailing
Sapphire Food North East No. 1 Limited	England & Wales	Ordinary shares	100%	Property investment
Sapphire Food South West No. 2 Limited	England & Wales	Ordinary shares	100%	Property investment
Sapphire Food North West No. 3 Limited	England & Wales	Ordinary shares	100%	Property investment
Sapphire Food South East No. 4 Limited	England & Wales	Ordinary shares	100%	Property investment
Sapphire Rural Destination No. 5 Limited	England & Wales	Ordinary shares	100%	Property investment

## 11. Stocks

	<b>2007</b>	2006
	<b>£m</b>	£m
Finished goods and goods for resale	<b>3.7</b>	3.3

## 12. Debtors

	2007	2006
	£m	£m
Trade debtors	4.3	0.2
Other debtors	15.7	10.4
Loans to group undertakings	330.2	118.4
Prepayments and accrued income	1.6	2.2
	<b>351.8</b>	<b>131.2</b>
Included above are the following amounts falling due after more than one year:		
Loans to group undertakings	115.0	115.0

## 13. Creditors: amounts falling due within one year

	2007	2006
	£m	£m
Corporation tax	1.5	0.6
Other taxes and social security costs	20.6	13.2
Accruals and deferred income	29.3	10.0
<b>Amounts owed to group undertakings</b>		
Trade creditors	34.4	15.7
Loans from subsidiary undertakings	216.3	6.9
Accrued interest on subordinated loan (see note 14)	6.8	3.4
	<b>308.9</b>	<b>49.8</b>

## 14. Creditors: amounts falling due after more than one year

	2007	2006
	£m	£m
<b>Amounts owed to group undertakings</b>		
Subordinated loan	436.9	215.2

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 securitisation group meets its financial covenants.

## 15. Borrowings

	2007		Total
	Within One year	After One year	£m
	£m	£m	£m
<b>Securitised debt</b>			
Term Advance A1	-	150.0	150.0
Term Advance A2	13.9	280.1	294.0
Term Advance A3	2.6	165.2	167.8
Term Advance A4	-	265.0	265.0
Term Advance B1	-	130.0	130.0
Term Advance B2	-	115.0	115.0
	16.5	1,105.3	1,121.8

Deferred issue costs	(0.4)	(10.6)	<b>(11.0)</b>
Swap provision	0.2	4.2	<b>4.4</b>
	<b>16.3</b>	<b>1,098.9</b>	<b>1,115.2</b>

	Within One year £m	2006 After One year £m	Total £m
<b>Securitised debt</b>			
Term Advance A1	-	150.0	150.0
Term Advance A2	13.2	293.9	307.1
Term Advance B	-	130.0	130.0
	13.2	573.9	587.1
Deferred issue costs	(0.3)	(6.9)	(7.2)
Swap provision	0.2	4.4	4.6
	<b>13.1</b>	<b>571.4</b>	<b>584.5</b>

<b>Maturity of financial liabilities and expiry of facilities</b>	<b>2007</b> £m	2006 £m
Within one year or on demand	<b>16.3</b>	13.1
Between one and two years	<b>17.2</b>	13.8
Between two and five years	<b>57.5</b>	15.5
After five years	<b>1,024.2</b>	542.1
	<b>1,115.2</b>	<b>584.5</b>

### Securitised debt

On 7 March 2005, £600.0 million of bonds were issued in connection with the securitisation. The bonds are secured over the group's properties and their future income streams, and were issued by Greene King Finance plc, a company outside of the group. The funds were on-lent to the company on similar terms and used to repay the subordinated loan from Greene King Brewing and Retailing Limited.

On 8 May 2006, a further £550.0 million of term loans were issued as a tap of the original securitisation, involving an additional 801 pubs. The term loans are secured over the properties and their future income streams and were issued by Greene King Finance plc, a company outside of the group.

The securitisation is governed by various covenants, warranties and events of default, many of which apply to the group. These include covenants regarding the maintenance and disposal of properties and restrictions on its ability to move cash outside of the company.

## 16. 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.

	<b>Repayment date £m</b>	<b>Nominal Interest Rate £m</b>	<b>Nominal value 2007 £m</b>	<b>Carrying Value 2007 £m</b>
<b>Term Loans</b>				

A1 term loan	2012 to 2031	Variable	150.0	<b>148.3</b>
A2 term loan	2005 to 2031	5.32%	320.0	<b>290.2</b>
A3 term loan	2006 to 2021	Variable	170.0	<b>166.6</b>
A4 term loan	2021 to 2031	5.11%	265.0	<b>263.0</b>
B1 term loan	2031 to 2034	5.70%*	130.0	<b>128.5</b>
B2 term loan	2034 to 2036	Variable	115.0	<b>114.2</b>

\* Fixed at 5.70% until 2020 then payable at three month sterling LIBOR plus a margin of 0.72%.

The interest on the A1, A3 and B2 term loans is payable at three month sterling LIBOR plus a margin of 0.38%, 0.50% 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:

		<b>Effective Interest rate</b>	<b>Period Rate Fixed (years)</b>	<b>Fair value 2007 £m</b>	<b>Carrying Value 2007 £m</b>
<b>Financial liabilities</b>					
Term loans	Fixed rate	5.217%	26	542.8	<b>553.3</b>
Term loans	Swapped into fixed rate	5.541%	23	561.2	<b>557.5</b>
<b>Financial assets</b>					
Cash	Floating rate			90.8	<b>90.8</b>

Market values have been used to determine the fair value of term loans. 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 cash flows 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 asset of the interest rate swap was £5.8m (2006: liability of 12.2m). The weighted average interest rate of the financial liabilities is 5.4% (2006: 5.5%), with weighted average fixed period of 24 years (2006: 26). 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 100% of its borrowings at fixed rates of interest to mitigate the interest rate risk. At the period end 100% of borrowings were fixed after taking account of interest rate swaps.

### **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.

The net expected profit on financial instruments used for hedging to be recognised in the profit and loss account in the following year is £1.5m (2006: loss of £0.2m). The actual profit recognised in the profit and loss account during the year was £0.7m (2006: loss of £0.3m).

#### 17. Provisions for liabilities and charges

<b>Deferred tax</b>	<b>2007</b>	<b>2006</b>
	<b>£m</b>	<b>£m</b>
Accelerated capital allowances	<b>35.1</b>	17.5
Opening provision	<b>17.5</b>	16.6
Acquired	<b>16.0</b>	-
Deferred tax charge	<b>1.6</b>	0.9
Closing provision	<b>35.1</b>	17.5

#### 18. Acquisitions

On 8 May 2006 the group acquired the trade and business of 801 pubs from Greene King Brewing and Retailing Limited.

	<b>Fair Value</b>
	<b>£m</b>
Tangible fixed assets	590.2
Stock	2.0
Debtors	2.8
Cash	0.9
Creditors: amounts falling due within one year	0.3
Provisions: deferred tax	(16.0)
	580.2
Goodwill	189.8
	770.0
Satisfied by:	
Loan from group undertaking	770.0

The fair value of properties acquired was established following a review of properties that was carried out by qualified surveyors employed by the company. Properties have been valued at their existing use value. There is no material difference between fair value and book value.

The acquired business was not separately managed or accounted for, and as such audited financial information is not available for periods prior to acquisition.

#### 19. Share capital

Authorised

	<b>2007</b>	2006	<b>2007</b>	2006
	<b>No</b>	No	<b>£</b>	£
Ordinary shares of £1 each	<b>100</b>	100	<b>100</b>	100

Allotted, called up and fully paid

	<b>2007</b>	2006	<b>2007</b>	2006
	<b>No</b>	No	<b>£</b>	£

Ordinary shares of £1 each	1	1	1	1
----------------------------	---	---	---	---

On incorporation of the company 1 ordinary share of £1 was issued at par.

The directors of the company have no rights to subscribe for additional shares in the company.

## 20. Reconciliation of movements in shareholder's funds

	Share capital	Profit and loss £m	Total £m
At 30 April 2006	-	2.5	2.5
Retained profit	-	15.2	15.2
<b>At 29 April 2007</b>	<b>-</b>	<b>17.7</b>	<b>17.7</b>

## 21. Other financial commitments

The annual commitments under non-cancellable operating leases are set out below:

	2007 £m	2006 £m
<b>Property leases expiring</b>		
After more than five years	0.5	0.2
After more than five years to 'Sapphire' subsidiaries	9.3	9.1

## 22. Related party transactions

The company has taken advantage of the exemption from the requirement to disclose transactions with the ultimate parent company, Greene King plc, or with any fellow subsidiaries within the group.

## 23. Ultimate parent company

At 29 April 2007, the company's ultimate parent undertaking was Greene King plc, a company registered in England and Wales. Copies of its group accounts, which include the company, are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

The smallest group of which the company is a member and for which group accounts have been prepared is that headed by Greene King Retailing Parent Limited.

## 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. The authorised share capital of the Securitisation Group Parent is £100, divided into 100 shares of a nominal or par value of £1 each, one of which is issued and credited as fully paid. The issued fully paid ordinary share is 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 Offering Circular 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:

<b>Name</b>	<b>Business Address</b>	<b>Occupation</b>
Justin Peter Renwick Adams	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Rooney Anand	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Ian Alan Bull	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
David John Elliott	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Jonathan Robert Lawson	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Jonathan Paul Webster	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 Offering Circular is as follows:

### Share Capital

*Authorised:*

£100 divided into 100 ordinary shares of £1 each..... £100

*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 Offering Circular, 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

**GeraldEve**

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[abuxton@geraldev.com](mailto:abuxton@geraldev.com)

**Our Ref:** DEB/ADB/rm/M2839

The Directors  
Greene King plc (the parent company of the “Securitisation Parent”)  
Westgate Brewery  
BURY ST EDMUNDS IP33 1QT

The Directors  
Greene King Retailing Limited (the “Initial Borrower”)  
Westgate Brewery  
BURY ST EDMUNDS IP33 1QT

The Directors  
Greene King Finance plc (the “Issuer”)  
Fifth Floor  
100 Wood Street  
LONDON EC2V 7EX

The Royal Bank of Scotland plc (the “Arranger and Lead Manager”)  
135 Bishopsgate  
LONDON EC2M 3UR

HSBC Trustee (C.I.) Limited (the “Issuer Security Trustee” and “Borrower Security Trustee”)  
1 Grenville Street  
St Helier  
JERSEY JE4 9PF  
Channel Islands

(the “Addressees”)

26 June 2008

Gentlemen,

**VALUATION AS AT 1 MAY 2008 OF 2,035 PUBLIC HOUSES OWNED BY GREENE KING PLC AND ITS SUBSIDIARIES**

**1.0 INTRODUCTION**

1.1 In accordance with your instructions, as confirmed in our Letter of Engagement dated 28 May 2008, we have prepared our valuation of the 2,035 public houses described in Section 5.0 below and report as follows on our findings and our portfolio valuations for the purpose of an issuance of further notes by Greene King Finance plc (the “Securitisation Offer”).

## 2.0 ROYAL INSTITUTION OF CHARTERED SURVEYORS (RICS) VALUATION STANDARDS

- 2.1 We confirm our valuation has been prepared in accordance and complies with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards, 6<sup>th</sup> Edition (the “Red Book”) which came into effect on 1 January 2008.
- 2.2 The properties have been valued as operational businesses and grouped together to form six separate portfolios as outlined later in this Report. Our valuation reflects the income derived from the operation of the existing business units and we have therefore undertaken no investigation as to the potential alternative use value of any of the properties.
- 2.3 The six portfolios have been valued separately on the basis of Market Value as operational entities, having regard to their trading potential, and on the assumption they would be marketed simultaneously in an orderly way. We have reported the aggregate of the individual Market Values for these portfolios which represents the Market Value of the Securitisation Estate on the basis it is marketed as these six separate portfolios. The definition of Market Value as contained in Practice Statement 3.2 of the RICS Valuation Standards is:

*“The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”*

A full commentary on the meaning of, and implicit assumptions within, this definition is included in the RICS Valuation Standards. In undertaking our Valuation on the basis of Market Value we have applied the conceptual framework which has been settled by the International Valuation Standards Committee (IVSC). Each element of the definition has its own conceptual framework as follows:

*‘The estimated amount.....’* Refers to a price expressed in terms of money (normally in the local currency) payable for the property in an arm’s-length market transaction. Market Value is measured as the most probable price reasonably obtainable in the market at the date of valuation in keeping with the Market Value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of Special Value.

*‘.....a property should exchange.....’* Refers to the fact that the value of a property is an estimated amount rather than a predetermined or actual sale price. It is the price at which the market expects a transaction that meets all other elements of the Market Value definition should be completed on the date of valuation.

*‘.....on the date of valuation.....’* Requires that the estimated Market Value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the actual market state and circumstances as of the effective valuation date, not as of either a past or future date. The definition also assumes simultaneous exchange and completion of the contract for sale without any variation in price that might otherwise be made.

*‘.....between a willing buyer.....’* Refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than on an imaginary or hypothetical market which cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present property owner is included among those who constitute ‘the

market'. A valuer must not make unrealistic Assumptions about market conditions or assume a level of Market Value above that which is reasonably obtainable.

'..... a willing seller.....' Is neither an over-eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the property at market terms for the best price attainable in the (open) market after proper marketing, whatever that price may be. The factual circumstances of the actual property owner are not a part of this consideration because the 'willing seller' is a hypothetical owner.

'..... in an arm's-length transaction.....' Is one between parties who do not have a particular or special relationship (for example, parent and subsidiary companies or landlord and tenant) which may make the price level uncharacteristic of the market or inflated because of an element of Special Value (see IVS 2, paragraph 3.8). The Market Value transaction is presumed to be between unrelated parties each acting independently.

'..... after proper marketing.....' Means that the property would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The length of exposure time may vary with market conditions, but must be sufficient to allow the property to be brought to the attention of an adequate number of potential purchasers. The exposure period occurs prior to the valuation date.

'..... wherein the parties had each acted knowledgeably, prudently.....' Presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the property, its actual and potential uses and the state of the market as of the date of valuation. Each is further presumed to act for self-interest with that knowledge and prudently to seek the best price for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the date of valuation, not with benefit of hindsight at some later date. It is not necessarily imprudent for a seller to sell property in a market with falling prices at a price which is lower than previous market levels. In such cases, as is true for other purchase and sale situations in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.

'..... and without compulsion.' Establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

Market Value is understood as the value of a property estimated without regard to costs of sale or purchase, and without offset for any associated taxes.

- 2.4 Whilst we have only inspected a sample of public houses and extrapolated the results across the estate, we are satisfied that the sample is fully representative and enables us to produce an accurate and correct valuation. Consequently, this does not represent a departure from the RICS Valuation Standards.

### **3.0 DATE OF VALUATION**

- 3.1 The date of this valuation is 1 May 2008.

### **4.0 STATUS OF VALUER AND CONFLICTS OF INTEREST**

- 4.1 Our valuation has been undertaken by valuers acting as External Valuers, qualified for the purpose of the valuation. An External Valuer is defined in the Glossary of terms in the RICS Valuation Standards as:

*"A valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client, or the subject of the assignment."*

- 4.2 We confirm that we have carried out the necessary checks and are satisfied there are no conflicts of interest in this respect. In paragraphs 14.3 and 14.4 we have summarised our work for Greene King who have been a client of the Firm for more than thirty years.
- 4.3 This report has been prepared by David Butters BSc FRICS (Senior Partner) and Andrew Buxton BSc MPhil MRICS (Partner) and checked by Mike Riordan BSc MRICS (Partner) and Richard Moir BSc MRICS (Partner).

## **5.0 PROPERTIES AND INTERESTS TO BE VALUED**

- 5.1 The public houses comprised in this valuation are predominantly held freehold (feuhold/heritable in Scotland) and are shown, together with tenure, in Appendices 1 to 3 inclusive.
- 5.2 The Securitisation Estate comprises a group of high quality managed, tenanted and leased public houses which can be summarised as follows:
- 521 Managed public houses operated by the Local Pubs and Destination Pubs divisions.
  - 1,300 Tenanted and Leased public houses run by the Pub Partners division.
  - 15 Managed public houses and 199 Tenanted and Leased public houses operated or run by the Belhaven division.
- 5.3 The above is a summary of the Securitisation Estate as at 6 January 2008. Greene King have recently advised us that the Black Boy Shinfield (house no. 5228) transferred from the Managed House Estate to the Tenanted and Leased Estate on 21 April 2008. Similarly Fort St George Cambridge (house no. 1106) transferred from the Tenanted and Leased Estate to the Managed House Estate on 22 February 2008. The former property is shown in Appendix 1 within Portfolio 3 and the latter property is shown in Appendix 2 within Portfolio 4. On your instructions our report ignores these transfers, however we can confirm that, if made, these would not affect the aggregate of the reported values.
- 5.4 Following the date of valuation the Tollgate Beckton (house no. 7997) transferred from the Managed House Estate to the Tenanted and Leased Estate on 7 May 2008 which also would not affect the aggregate of the reported values.
- 5.5 Long leasehold and short leasehold properties have respectively an unexpired term of more or less than 50 years as at the date of valuation.
- 5.6 Our reported valuation includes integral and adjacent unlicensed or sublet properties where identifiable.

## **6.0 PORTFOLIO VALUATIONS**

- 6.1 Since the mid 1990s many large portfolios of public houses have changed hands in the open market. Evidence has strongly demonstrated that a portfolio of public houses will attract bids at levels in excess of the aggregate of the individual property values. The amount of additional value achieved has depended on market circumstances at the time as well as the size and characteristics of the portfolio transacted. The various factors which support higher bids for portfolios include:
- An enhanced purchasing strength for goods and services such as the level of beer discount achievable on a portfolio as opposed to a single public house.
  - Synergies which can be achieved enabling savings in central costs.

- De-risking the income profile.
- Opportunities which will occur from time to time for individual sales to special purchasers, enhancement in value through development and disposals for higher alternative use values.
- An operator's ability to make a quantum leap in his estate which is immediately income enhancing and reduces costs of sourcing acquisitions.
- Financing opportunities available to prospective purchasers which are inappropriate for single assets and thereby reduce the cost of capital.
- Competitive bidding on portfolios from other prospective purchasers in addition to public house operators.

6.2 Under current market conditions, and at the date of valuation, it is our opinion that the highest level of bids would be achieved for these assets through offering them in a small number of portfolios with lot sizes up to circa £460 million rather than as a single portfolio. In our view this approach to packaging would realise greater competitive bidding amongst prospective purchasers and reflects the tightening in the availability of debt finance, specifically for very large portfolios, which has subsisted since the beginning of July 2007.

6.3 We have not been instructed to report individual public house values. This Valuation Report envisages the sale of six separate portfolios.

## **7.0 MANAGED PUBLIC HOUSES WITHIN THE SECURITISED ESTATE**

### 7.1 Description

7.1.1 Greene King currently operates an Estate of approximately 850 managed public houses in total which has been substantially created through the acquisitions of Magic Pub Company (1996), Old English Inns (2001), the neighbourhood estate of Laurel Pub Company (2004), the Belhaven group (2005) and Hardys & Hansons (2006).

7.1.2 There are 536 managed public houses within the Securitised Estate made up as follows:

- 263 properties mainly from the Greene King estate pre 2004.
- 258 properties from the former Laurel Pub Company "neighbourhood estate" acquired in 2004.
- 15 properties from the managed division of the Belhaven group acquired in 2005.

7.1.3 The Securitised Estate comprises 452 public houses which are either unbranded or lightly branded and includes 156 "town local, town meeting and town tavern" properties and 60 properties with accommodation turnover. There are 84 public houses which are branded as "Hungry Horse", being a family dining concept introduced by Magic Pub Company pre-acquisition.

7.1.4 The aggregate split of income sources by reference to the Moving Annual Total (MAT) up to 6 January 2008 is:

	<b>Greene King</b>		<b>Typical Managed Estate<sup>(1)</sup></b>
	%		%
Liquor	63.3		67.0
Food	28.0		27.0
Machines	4.6	}	6.0
Accommodation	3.8		
Other	0.3		
<b>Total</b>	<b>100.0</b>		<b>100.0</b>

<sup>(1)</sup> Source: Spirit and analysts' research 2006

7.1.5 Most of the properties have benefited from regular refurbishment and redecoration, with some remodelling to maximise their trading potential. However, as with any estate of this size, further opportunities still exist for enhancing the trading performance of individual public houses.

## 7.2 Geographical Profile

7.2.1 The geographical spread is significantly wider than the tenanted and leased estate which, in particular, reflects the acquisitions of Magic Pub Company and the neighbourhood estate of Laurel Pub Company.

7.2.2 An analysis by Economic Region is as follows:

<b>Economic Region</b>	<b>No. of pubs</b>	<b>%</b>
East Midlands	16	3.0
East of England	75	14.0
London	30	5.6
North East	16	3.0
North West	58	10.8
Scotland	17	3.2
South East	181	33.7
South West	73	13.6
Wales	11	2.1
West Midlands	22	4.1
Yorkshire & The Humber	37	6.9
<b>Total</b>	<b>536</b>	<b>100.0</b>

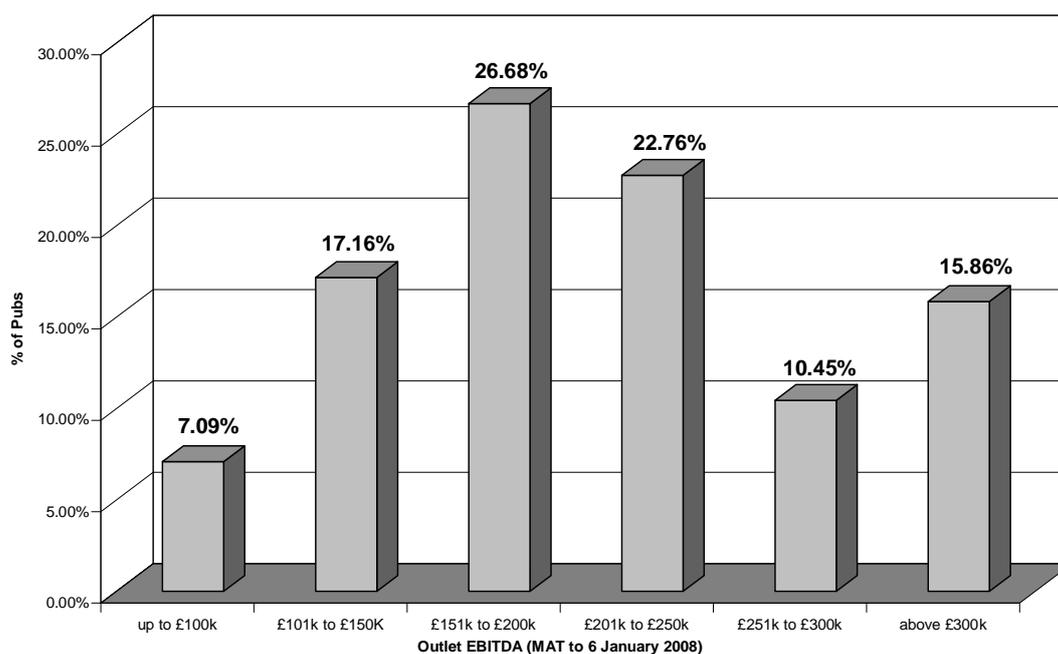
## 7.3 Trading Performance

7.3.1 The trading performance for the full financial year ended 29 April 2007 and the MAT to 6 January 2008 for the 536 managed public houses may be summarised as follows:

<b>Turnover</b>	<b>Year to 29 April 2007</b>		<b>MAT to 6 January 2008</b>	
	<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
Liquor	244,540,249	63.9	240,005,387	63.3
Food	104,384,943	27.3	106,078,901	28.0
Machines	18,247,632	4.8	17,381,012	4.6
Accommodation	14,012,058	3.7	14,349,488	3.8
Other	1,467,941	0.3	1,463,178	0.3
<b>Total</b>	<b>382,652,823</b>	<b>100.0</b>	<b>379,277,966</b>	<b>100.0</b>

EBITDA pre central costs	118,450,197	115,702,413
Average Turnover per property	713,905	707,608
Average outlet EBITDA pre central costs	220,989	215,863

7.3.2 The bar chart below shows the high quality of these assets with 92.91% of the properties each producing an outlet EBITDA pre central costs of more than £100,000 per annum by reference to MAT figures up to 6 January 2008:



#### 7.4 Tenure

7.4.1 The managed public houses within the Securitised Estate comprise 497 freehold (feuhold / heritable in Scotland) properties, including 10 minor leasehold interests. There are 35 long leasehold properties, which have unexpired terms between 50 and 2,092 years, and 4 short leasehold properties, which have unexpired terms of between 27 and 49 years. The current rent liability on the leasehold properties (including the minor leasehold interests referred to above) is £666,923 per annum.

### 8.0 TENANTED AND LEASED PUBLIC HOUSES WITHIN THE SECURITISED ESTATE

#### 8.1 Description

8.1.1 The Securitised Estate includes 1,499 tenanted and leased properties comprising mainly traditional local and community houses, which represent approximately 88% of Greene King's total tenanted and leased estate, as at 1 May 2008.

8.1.2 Tenanted and leased public houses are generally characterised by smaller outlets in secondary locations with lower turnovers and fewer amenities than managed houses. The properties making up the Securitised Estate are generally located away from main town centre high streets and branded circuit competition.

- 8.1.3 Pub Partners have a preference for short-term non-assignable tenancies as opposed to longer assignable leases. 78% of the properties making up the Securitised Estate are held on numerous non-assignable tenancy agreements, generally for varying terms up to 9 years. Generally tenants are tied for beers, cider, flavoured alcoholic beverages, wines and spirits with the Landlord also retaining between 50% and 60% of machine income. The agreements are internal repairing and provide for regular rent reviews.
- 8.1.4 The remaining 22% are held on assignable leases which are generally full repairing for original terms of 15, 20 and 21 years, with either 3 or 5 yearly open market rent reviews. 34% of the properties are held on Morland leases mostly on initial 21 year terms where lessees are generally tied for beers and cider only and retain all machine income. The remaining properties are mainly held on Greene King's more recent 15 or 20 year leases where lessees are tied for beers, cider and flavoured alcoholic beverages with a 50% or 60% share of machine income retained by the Landlord.
- 8.1.5 Belhaven also have a preference for short-term non-assignable tenancies with 75% of the properties held on such agreements for terms up to 5 years with tenants generally tied for beers, cider, flavoured alcoholic beverages and soft drinks, with tenants retaining all machine income.
- 8.1.6 The remaining 25% of Belhaven properties are held on assignable leases which are generally full repairing for terms between 10 and 25 years with regular rent reviews. The tenants are tied for all drinks except wines and spirits and retain all machine income.

## 8.2 Geographical Profile

- 8.2.1 From its East Anglia heartland Greene King has expanded its tenanted and leased operations across the South of England. The location of the properties track the historic expansion of Greene King, notably the acquisition of 422 pubs from Morland in 1999, Marston's southern estate (165 pubs, in 1999), Old English Inns (136 pubs, in 2001) and Morrells of Oxford (107 pubs, in 2002). More recent acquisitions include T.D. Ridley & Sons (73 pubs, in 2005), Belhaven (271 pubs, in 2005), Hardys & Hansons (268 pubs, in 2006) and New Century Inns (49 pubs, in 2007).
- 8.2.2 The geographical spread is more concentrated than the managed houses and has a southern bias. The profile of the tenanted and leased public houses by Economic Region is shown below:

<b>Economic Region</b>	<b>No. of pubs</b>	<b>%</b>	<b>No. of leased pubs</b>	<b>No. of tenanted pubs</b>
East Midlands	147	9.81	11	136
East of England	510	34.00	41	469
London	57	3.80	25	32
North East	15	1.00	2	13
North West	7	0.47	5	2
Scotland	199	13.28	49	150
South East	454	30.29	166	288
South West	53	3.54	21	32
Wales	1	0.07	0	1
West Midlands	13	0.87	9	4
Yorkshire & The Humber	43	2.87	7	36
<b>Total</b>	<b>1,499</b>	<b>100.0</b>	<b>336</b>	<b>1,163</b>

### 8.3 Trading Performance

8.3.1 The sources of income relating to the tenanted and leased properties comprise rent, wholesale profit, machine income and unlicensed income.

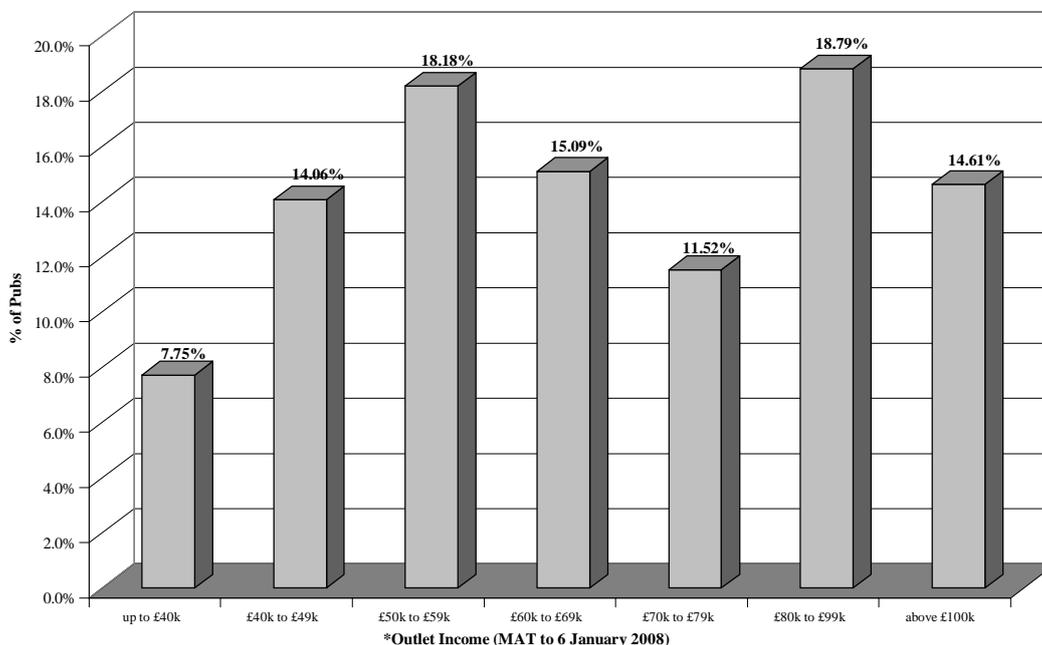
8.3.2 For the year to 6 January 2008 total rental income amounted to £44,457,664. The total contracted passing rent as at 6 January 2008 amounted to £46,977,027 per annum, which represents an average of £31,339 per property per annum. Tenanted properties accounted for 67% of the total averaging £27,041 per property per annum, with leased properties making up 33% and averaging £46,216 per property per annum.

8.3.3 Beer, wine and spirit volumes and machine income:

	<b>Year to 30 April 2006</b>	<b>Year to 29 April 2007</b>	<b>MAT to 6 January 2008</b>
Beer Volumes (BB's)	311,698	312,344	291,606
Wines & Spirits (Litres)	1,362,180	1,411,984	1,454,881
Machine Income (£)	4,079,705	3,782,580	3,976,575

8.3.4 The above figures for the years ended 30 April 2006 and 29 April 2007 include 41 recently acquired New Century Inns properties. However, the MAT does not include a full 12 months' trading information for New Century Inns.

8.3.5 The bar chart below illustrates the overall high quality of these assets with 78.2% of the properties each providing an outlet income of more than £50,000 per annum by reference to MAT figures up to 6 January 2008:



\* Outlet income is defined as house EBITDA before landlord's repairs and central costs.

### 8.4 Tenure

8.4.1 The tenanted and leased properties comprise 1,472 freehold (feehold / heritable in Scotland) properties including 8 minor leasehold interests, 21 long leasehold properties and 6 short

leasehold properties. The current head rent liability on the leasehold properties (including the minor leasehold interests referred to above) is £79,318 per annum.

## **9.0 INFORMATION PROVIDED**

9.1 We have been supplied with, and relied upon, information which includes the following:

### 9.1.1 Managed Public Houses

- Summary house management accounts and beer volume figures for the years ended 1 May 2005, 30 April 2006 and 29 April 2007 as well as MAT data up to 6 January 2008 (Period 9).
- A summary of historic capital expenditure for the above full years and to Period 9 for 2007/2008.
- A schedule of tenure and associated sub-let and unlicensed income.
- Copy leases for leasehold sample properties and short leasehold properties.

### 9.1.2 Tenanted and Leased Public Houses

- House income (rent, wholesale margin and machine income) and drink volume details for the years ended 1 May 2005, 30 April 2006 and 29 April 2007 as well as MAT data up to 6 January 2008 (Period 9).
- A summary of historic capital expenditure for the above full years and to Period 9 for 2007/2008.
- Landlord's annual repair costs by property.
- A schedule of tenure detailing occupational agreements for each property and examples of such agreements.
- Occupational tenancy and lease summary reports prepared by Birketts.
- A schedule of associated sub-let and unlicensed income.
- Copy leases for leasehold sample properties and short leasehold properties.

## **10.0 VALUATION ASSUMPTIONS AND INVESTIGATIONS**

### 10.1 Title

10.1.1 We have had regard to the copy leases supplied, however, we have not inspected the title deeds or seen any Certificates of Title, Overview Reports or Reports on Title relating to any property and unless advised to the contrary have assumed that the properties are held under good and marketable title free from any encumbrances, disputes, restrictions, undisclosed agreements or other outgoings of an onerous nature and that they benefit from unrestricted access.

10.1.2 We have also assumed that there are no unusual rights of way, Compulsory Purchase Orders, restrictive covenants or easements affecting the title to any of the properties that would have a material affect on our valuation. We have assumed that any title or other issues in respect of the properties would not affect their marketability or acceptability as security.

10.1.3 We have not investigated any mineral workings or other rights that might affect the title of the properties or their future use and have assumed that no such rights exist.

- 10.1.4 We have assumed unless advised to the contrary that all improvements have been undertaken or financed by Greene King plc or its subsidiaries and that all the properties are capable of unrestricted transfer to a purchaser.
- 10.1.5 Properties operated as tenanted or leased houses have been valued subject to those third party occupations. Any parts of a property operated under management which are occupied by third parties have also been valued subject to those occupants.
- 10.1.6 Title plans have not been supplied and we have, therefore, relied solely upon our inspections in relation to ascertaining site boundaries.
- 10.2 Special Assumption
- 10.2.1 For the purpose of this Report we have assumed that the internal lease agreements in respect of the “Sapphire Companies” have been collapsed as at the date of valuation.
- 10.3 Mortgages and Charges
- 10.3.1 For the purposes of our valuation, we have assumed that the properties and managed house trade inventories are free and clear of all mortgages, debentures or other charges on or over them. In particular our valuation disregards the fact that the major part of the estate has already been securitised through a bond issue.
- 10.4 Alternative Uses
- 10.4.1 The properties trade as operational entities and have been valued having regard to their trading potential. As instructed we have not considered individual alternative use values as this is not germane to our valuation.
- 10.5 Costs of Repair
- 10.5.1 We have estimated both outstanding and ongoing costs of repair. We have not carried out any building surveys of the properties, nor tested any of the services in the properties or enquired about deleterious materials, and have relied completely on the information that has been provided to us in respect of intended repairs and maintenance programmes.
- 10.6 Goodwill
- 10.6.1 Our valuation takes no account of any personal goodwill that may arise from the present occupation of the public houses but does reflect any goodwill that would pass with the purchase of the properties and fully reflects the inherent trading potential which attaches to and runs with the properties.
- 10.7 Fixtures and Fittings
- 10.7.1 In addition to the legal interest in the land and buildings our valuation includes all plant, machinery and equipment, fixtures and fittings and all trade inventory items (other than those inventory items owned by tenants or lessees, and any items which are leased or hired). Technical services equipment such as beer raising, cooling and dispensing equipment which can be conveniently and economically removed, all stock in trade and consumables, glassware and badged items have been excluded.
- 10.8 Computers
- 10.8.1 For the purpose of this valuation we have assumed that all systems and services that are reliant upon any form of computer or micro processor are functional and have no inherent software defect which might now or in the future cause them to cease operation. Should it, however, be

established that significant costs will arise in achieving continuous operation of these services, our valuation may need to be varied.

#### 10.9 Condition Surveys

10.9.1 Due regard has been paid to the state of repair and condition of each property inspected. However, we have not carried out any building surveys on the sample properties nor have we inspected those parts of the properties that are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition (unless we have been informed otherwise). We cannot give any warranty concerning the condition of the individual properties and have relied on the information provided to us in allowing for the reasonable costs of maintaining the properties in our financial projections.

10.9.2 We have not examined or tested any of the services installed or connected and have assumed that all such services have been installed and connected in accordance with appropriate regulations and that they are in full working order and not in need of repair or replacement. We have not made any allowance for extra repair costs and liabilities that might arise if high alumina cement concrete, asbestos, or any other deleterious or hazardous material has been used in any part of the construction, nor have we made any specific provision regarding latent defects. We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the properties or has since been incorporated, and we are therefore unable to report that the properties are free from risk in this respect. For the purposes of this valuation, we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

#### 10.10 Environmental Matters

10.10.1 As instructed we have not commissioned any Environmental Survey Reports. We are not aware of the content of any environmental audits or other environmental investigations or soil surveys which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work and in line with market practice when valuing such a large number of assets we have assumed that no contaminative or potentially contaminative uses have ever been carried out on the properties. As instructed we have not carried out any investigations into past or present uses, either of the properties or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject properties from these uses or sites and have therefore assumed that no specific provision needs to be made for this. Should it, however, be established subsequently that contamination, seepage or pollution exists at any of the properties or on any neighbouring land or that the properties have been or are being put to a contaminative use, this might have an effect on trade or give rise to a remediation liability which would need to be reflected in our valuation.

10.10.2 We have not carried out or commissioned site investigations, geological or geophysical surveys and therefore can give no opinion, assurance or guarantee that the grounds have sufficient load bearing strength to support the existing constructions, or any other constructions that may be erected upon them in the future. We also cannot give any opinion, assurance or guarantee that there are no underground mineral or other workings beneath the sites, or in their vicinity, nor that there is any fault or disability underground which could or might affect the properties or any construction thereon.

#### 10.11 Information Provided

10.11.1 Our valuation is reliant on the information that has been provided to us as outlined in Section 9.0 of our Report. We have not carried out any investigations into the titles to the properties or independently verified the accounts or trading information. This Report has been prepared on the basis that we are entitled to rely on the information supplied to us. We can take no responsibility for any misstatement, omission, or misrepresentation made to us. In the event of a future change in trading potential or actual levels of trade that have been supplied to us, or

should any of the information we have used prove to be incorrect or inadequate, our valuation may need to be varied.

#### 10.12 Local Authority and Other Statutory Regulations

- 10.12.1 We have assumed, in the absence of information to the contrary, that there are adequate Premises and Personal Licences (Public House or Hotel Licences in Scotland) and Gaming Machine Licences in existence where required by law and that all the properties comply with current fire regulations and health and safety legislation. We have not been able to inspect the licences, consents, permits and certificates relating to each of the properties and have assumed that these are held where required by law (but offer no warranty to this effect) and are capable of being transferred to a purchaser. We have further assumed that the properties will continue to trade with these existing approvals, licences, consents, permits and certificates and that all are capable of being renewed/obtained. However, if these assumptions are incorrect or if any of the licences were lost or in jeopardy then this could affect our valuation. We are not aware of any indication from any of the granting authorities or the police of any intention to refuse, oppose or revise a renewal of any existing licence.
- 10.12.2 Unless specifically informed no allowances have been made for rights, obligations or liabilities arising from (inter alia) the Defective Premises Act 1972, the Environmental Protection Act 1990, or the Environment Act 1995. We have also assumed that there are no outstanding statutory notices and that the properties comply with all relevant statutory notices and all other legislation for their existing use.
- 10.12.3 As instructed we have not made our own local authority enquiries which is normal practice when valuing such a large number of assets and have assumed in the absence of information to the contrary that all properties have been constructed and are occupied in accordance with planning control. We have assumed that the buildings have been constructed in accordance with all statutory requirements, British Standards and Codes of Practice and are in a condition fit for their existing use. We have also assumed that there are no outstanding notices, orders or disputes in respect of such matters. We have assumed that there are no local authority planning or highway proposals that might involve the use of compulsory purchase orders or otherwise directly affect the properties.
- 10.12.4 In preparing our valuation we have assumed that the parties will comply with the Transfer of Undertakings (Protection of Employment) Regulations 2006 and that there are no residual liabilities in this regard. In this instance we would normally expect purchasers to engage existing staff in relation to managed properties.

#### 10.13 Disability Discrimination

- 10.13.1 We have not included any allowance in our valuation for works that might become necessary to enable access for disabled persons under The Disability Discrimination Act 1995. As these properties are already trading we have assumed they comply with all current legislation and that any physical alterations that might become necessary under existing or future legislation will be met out of revenue expenditure within the limits we have already used in our valuation.

#### 10.14 Grants, Tax and VAT

- 10.14.1 No allowances have been made in our valuation for the benefit of capital allowances, the incidence of grants and for any liabilities for tax except insofar as the availability of Government financial incentives for industry influences general levels of value. Our valuation is expressed exclusive of any Value Added Tax or other tax liabilities that may become payable.

## 10.15 Costs of Acquisition and Stamp Duty Land Tax

10.15.1 In arriving at the reported values we have deducted purchaser's stamp duty, agent's fees and legal costs at 5.75% which would be payable in addition and no adjustment has been made to reflect any costs associated with a disposal incurred by the owner.

## 10.16 Terrorism and Exceptional World Events

10.16.1 Whilst we do not consider the properties to be directly at risk from terrorist threats or other exceptional world events, our valuation does not take into account the effect of wholly unforeseen and catastrophic events upon the property market and assumes that the properties are not subject to any abnormal terrorist risk. Should any major event occur which affects the property market or the leisure sector this could adversely affect our valuation.

## 10.17 Limitation

10.17.1 Our Valuation Report has been based upon the assumptions and qualifications stated herein. If any assumptions are incorrect, we wish to reserve the right to review and if necessary alter our opinion of value accordingly.

## 11.0 SAMPLE SELECTION

11.1 We are of the opinion that a reliable valuation can be undertaken based on the inspection and analysis of a representative sample, together with detailed consideration of the trading and tenure information relating to all of the properties making up the Securitisation Estate.

11.2 A list comprising the 2,035 properties was provided and two inspection groups were established separately since the income streams derived from the managed public houses differs from the tenanted and leased public houses. The basis of the sample selection process for the two aforementioned groups of properties is summarised as follows:

### 11.2.1 Managed Public Houses

Out of a total of 536 properties we selected 133 properties to inspect:

- 2 short leasehold properties (the remaining 2 were subject to a desktop review).
- 25 properties identified as recent acquisitions, having limited trading history or having benefited from recent major capital expenditure.
- 20.9% representative sample of the balance.

The inspections can be summarised as follows:

<b>Inspection Category</b>	<b>Total No. of Properties</b>	<b>Sample No. of Properties</b>	<b>%</b>
Short leasehold properties	4	2	50.0
Recent acquisitions, etc	25	25	100.0
Representative sample of balance	507	106	20.9
<b>Total</b>	<b>536</b>	<b>133</b>	<b>24.8</b>

The 20.9% representative sample relating to the main estate was selected by using a stratified method of sampling a population. We are satisfied this technique produces a sample which is statistically representative and is more reliable when compared to other techniques such as random and systematic sampling. The sample was selected having regard to the following key valuation factors:

- Tenure (short leaseholds excluded).
- Geographical region (11 asset pools).
- Trading division / category grouping.
- Turnover and EBITDA (MAT to 6 January 2008).
- A satisfactory freehold (feuhold/heritable in Scotland), long leasehold and mixed tenure split and the inclusion of sites with letting bedrooms.

#### 11.2.2 Tenanted and Leased Public Houses

Out of a total of 1,499 properties we selected 352 properties to inspect:

- 3 short leasehold properties (the remaining 3 were subject to a desktop review).
- 49 properties identified as either having recently opened, those with a limited trading history or properties identified as having benefited from recent major capital expenditure (CAPEX).
- 20.2% representative sample of the balance of the Pub Partners properties.
- 25.0% representative sample of the balance of the Belhaven properties.

The inspections carried out are summarised as follows:

<b>Inspection Category</b>	<b>Total No. of Properties</b>	<b>Sample No. of Properties</b>	<b>%</b>
Short leasehold properties	6	3	50.0
Recently opened, etc	49	49	100.0
Representative sample of balance (Pub Partners)	1,268	256	20.2
Representative sample of balance (Belhaven)	176	44	25.0
<b>Total</b>	<b>1,499</b>	<b>352</b>	<b>23.5</b>

The two representative samples relating to the main estate were selected using the stratified method of sampling referred to above, having regard to:

- Tenure (short leaseholds excluded).
- Geographical region (9 asset pools).
- Category group.
- Current passing rent and occupational agreement type.
- MAT barrelage and machine income.
- A satisfactory freehold (feuhold/heritable in Scotland), long leasehold and mixed tenure split.

## **12.0 INSPECTIONS**

12.1 Inspections of all 485 properties, representing 23.8% of the Securitisation Estate, were carried out during April and May 2008. Detailed discussions took place with managers, tenants, lessees or their representatives in most cases and the inspections of each property included the main trading areas, back of house facilities and, where provided, residential accommodation and a sample of letting bedrooms. In a small number of instances valuers were not able to fully inspect trading and back of house areas or residential accommodation due to limited access. The properties inspected are detailed in Appendices 1 to 3. The remainder of the portfolio was not inspected.

## **13.0 VALUATION APPROACH**

13.1 Our valuation reflects the approach prospective purchasers would adopt in assessing value. We have adopted an income / profits method of valuation which is widely used by operators and investors when bidding for public house portfolios, which are bought and sold in the open market on the basis of their trading potential.

13.2 We have assessed a fair maintainable level of income / profit and applied appropriate multipliers as described further below to the earnings based on an analysis of the characteristics and quality of each portfolio, the attractiveness and desirability of the assets, comparable transactions and current market sentiment.

13.3 The properties have been grouped into six smaller portfolios (as detailed in Appendices 1 to 3) and valued separately on the assumption that the portfolios would be marketed simultaneously in an orderly way. In selecting these portfolios we have had regard to the prospective purchasers who we consider would be interested in these property assets and the likely levels of equity and debt finance available to them. The six portfolios may be summarised as follows:

- Portfolio 1 - 191 Managed Public Houses in Southern England which includes all properties (39) with significant accommodation turnover.
- Portfolios 2 and 3 - 173 and 172 Managed Public Houses respectively with no geographical bias, a similar EBITDA profile and no significant accommodation turnover in Southern England.
- Portfolios 4 and 5 - 649 and 651 Tenanted and Leased Public Houses respectively with similar geographical and income profiles.
- Portfolio 6 - 199 Belhaven Tenanted and Leased Public Houses in Scotland.

13.4 Based on the information provided and our own findings we assessed the following for each managed public house inspected:

- Fair Maintainable Turnover.
- Fair Maintainable Gross Profit.
- Fair Maintainable EBITDAR&M (earnings before interest, tax, depreciation, amortisation, repairs and maintenance).
- Annual Repairs and Maintenance costs (R&M).
- Refurbishment and Renewals Fund.
- CAPEX Liability.

- 13.5 In relation to the representative main estate sample inspection properties our findings have been extrapolated across the remaining properties which were not inspected having regard to actual EBITDAR&M (MAT to 6 January 2008) using the following grouping:
- No grouping / all units.
  - By category group and trading division.
  - Geographical region.
  - EBITDAR&M (three Bands).
  - Simple average.
- 13.6 For tenanted and leased properties a similar exercise was conducted with the following assessments made for each property:
- Estimated Rental Value.
  - Fair Maintainable Captured Volumes.
  - Fair Maintainable Machine Income.
  - CAPEX Liability.
  - Annual Repair Costs.
- 13.7 Our findings were then extrapolated across all the remaining tenanted and leased properties using the following grouping:
- No grouping / all units.
  - By category group.
  - Geographical region.
  - Agreement type.
  - Simple average.
- 13.8 Having considered our results together with the actual trading figures supplied we assessed the potential income, for both managed public houses and the tenanted and leased public houses, and established separate income streams for each of the six portfolios to be valued.
- 13.9 In relation to the three managed public house portfolios we have assessed the potential income streams which include a deduction for annual repairs and maintenance at approximately 2.3% of our fair maintainable turnover assessments. Additional allowances have been made for a refurbishment and renewals sinking fund and central costs at approximately 2.5% and 4.0% respectively of our fair maintainable turnover assessments. The resultant valuation net profit streams have been tranching into five income slices (60% / 10% / 10% / 10% / 10%) and capitalised at various yields to reflect the risks associated with each level of income. We have then made a deduction for any CAPEX liability and deducted standard purchaser's costs at 5.75% which would be payable in addition.
- 13.10 The income stream for tenanted and leased public houses is essentially made up of three main elements (rent, wholesale margin and machine income) with some additional unlicensed income.

- 13.11 Individual income assessments were carried out for each of the tenanted and leased portfolios and different yields adopted to reflect the varying risk profiles and potential opportunities for growth in relation to each group of properties and the sources of income.
- 13.12 An 'All Risks' yield was applied to the current passing rental income, which we regard as the most secure source of income. Based upon our own individual rental assessments for the sample properties we are satisfied that in aggregate the rental income reflects current market levels. The wholesale margin income was split into four slices (60% / 20% / 10% / 10%) and capitalised at varying yields, together with the machine income which was split into three slices (60% / 30% / 10%) and capitalised at varying yields. Unlicensed income was capitalised at an overall yield.
- 13.13 Our valuation takes into account landlord's annual repair costs, together with central costs at an average per property of £10,000 per annum in England and Wales and £7,000 per annum in Scotland. Where appropriate a deduction has been made to reflect any CAPEX liability and we have deducted standard purchaser's costs at 5.75% which would be payable in addition.
- 13.14 Finally, all short leasehold properties have been valued individually to Market Value and added into the above portfolios as appropriate.

#### **14.0 REGULATED PURPOSE DISCLOSURES**

- 14.1 A statement of the Firm's policy on the rotation of valuers, and a copy of the current practice statement on valuation reviews, is available on request.
- 14.2 We consider that, by using five partners and by carrying out our internal valuation review procedure with two further partners, there is no risk of undue influence affecting our valuation.
- 14.3 Gerald Eve have a detailed knowledge of this specialist property sector and are therefore qualified to carry out this valuation. We have advised Greene King for more than thirty years continually on business rates. During this period we have also undertaken valuations for the Company at varying intervals which have included reviews of valuations prepared by their in-house valuers. The intervals between these valuations, the nature of this work and our work for other public house companies means we consider our independence is verified.
- 14.4 The total fees earned from Greene King has never exceeded 5% of the total earnings of the Firm, and this is not expected to change in the foreseeable future.

#### **15.0 VALUATION**

- 15.1 In accordance with the facts, assumptions and qualifications set out in this Valuation Report, we are of the opinion that the individual Market Values of the six portfolios comprising the Securitisation Estate of freehold (feehold/heritable in Scotland), long leasehold and short leasehold interests in the 2,035 public houses, as operational entities having regard to their trading potential, as at 1 May 2008 amount to £2,123,000,000 (two billion, one hundred and twenty three million pounds). The aggregate of the reported values represents the Market Value of the Securitisation Estate if offered for sale as the following portfolios:

	£
● Portfolio 1 (191 Managed Public Houses)	418,000,000
● Portfolio 2 (173 Managed Public Houses)	345,000,000
● Portfolio 3 (172 Managed Public Houses)	328,000,000

•	Portfolio 4 (649 Tenanted and Leased Public Houses)	461,000,000
•	Portfolio 5 (651 Tenanted and Leased Public Houses)	456,000,000
•	Portfolio 6 (199 Belhaven Tenanted and Leased Public Houses)	115,000,000
	Total	2,123,000,000

15.2 The UK experienced rising interest rates during the Spring of 2007 and in July / August 2007 the availability of debt finance for leveraged buy-outs tightened as part of a global credit squeeze. Difficulties have been experienced since then in the property markets despite the reduction in base interest rates in December 2007 and subsequently. As a consequence, transactions in many commercial property sectors have not achieved earlier expectations of value and some have been shelved. As at the date of valuation there is a paucity of market evidence for public house portfolio transactions. We have sought to reflect this uncertainty, together with the effects of the smoking ban, in our valuation and are satisfied that the above reported aggregate value is a realistic assessment of these high quality assets under current market conditions, as appropriately selected portfolios.

15.3 It should be noted that values change over time, and that a valuation given on a particular date may not be valid on an earlier or later date. It should also be remembered that values can fall as well as rise.

## 16.0 CONFIDENTIALITY AND DISCLOSURE

16.1 This Valuation Report may be relied upon only by the Addressees in connection with the Securitisation Offer. No reliance may be placed upon the contents of this Valuation Report by any party who is not an Addressee or by an Addressee for any purpose other than in connection with the Securitisation Offer. Neither this Valuation Report, nor any part thereof, may be reproduced or referred to, in any document, circular or statement, nor may its contents, or any part thereof, be disclosed orally, or otherwise to a third party, without the valuer's written approval as to the form and context of such publication or disclosure.

16.2 We confirm our consent has been given for this Valuation Report to be reproduced in full in the Offering Circular.

Yours faithfully

**David Butters BSc FRICS**  
Senior Partner  
For and on behalf of Gerald Eve

**Andrew Buxton BSc MPhil MRICS**  
Partner  
For and on behalf of Gerald Eve

**Appendix 1  
Managed House Estate  
Portfolio 1**

House No	House Name	Address	Postal Town	City/Town	County	Post Code	Tenure	Sample Property
1550	Abbott	14 Station Road		Redhill	Surrey	RH1 1NZ	FH	
5220	Acorn	Pingle Drive		Bicester	Oxfordshire	OX26 6WB	FH	Y
7612	Air Balloon	Crickley Hill	Gloucester	Birdlip	Gloucestershire	GL4 8JY	FH	
7302	Albert Tavern	65 Harrington Road	London	South Norwood	Greater London	SE25 4LX	FH	
8600	Albion	15 Bristol Road	Bristol	Portishead	Somerset	BS20 6PZ	FH	Y
4034	Anchor	397 Goldington Road		Bedford	Bedfordshire	MK41 0DS	FH	Y
6403	Anchor Inn	Fore Street	Seaton	Beer	Devon	EX12 3ET	FH	
6603	Antelope	8 High Street		Poole	Dorset	BH15 1BP	FH	
7617	Apple Tree	Stockwell Lane	Cheltenham	Woodmancote	Gloucestershire	GL52 9QG	FH	
6408	Bell Hotel	Church Street		Tewkesbury	Gloucestershire	GL20 5SA	FH	
7637	Bird in Hand	The Street	Bury St Edmunds	Beck Row	Suffolk	IP28 8ES	FH	
5229	Black Horse	6 Banbury Road		Kidlington	Oxfordshire	OX5 2BT	FH	
6012	Black Horse	191 Frome Road		Trowbridge	Wiltshire	BA14 0DU	FH	
6032	Blue Lion	133 Grays Inn Road	London	St Pancras	Greater London	WC1X 8TU	FH	
5234	Boundary House	69 Oxford Road		Abingdon	Oxfordshire	OX14 2AA	FH	Y
5235	Bowyer Arms	Foxborough Road	Abingdon	Radley	Oxfordshire	OX14 3AE	FH	
6058	Bridge	Upminster Road		Upminster	Essex	RM14 2RB	FH	Y
1964	Bridge Inn	North End Road	Bristol	Yatton	Somerset	BS49 4AU	FH	
1568	Brief	48 George Street		Croydon	Surrey	CR0 1PD	FH	
7653	Broadwater	4 Broadwater Street West		Worthing	West Sussex	BN14 9DA	FH	
7654	Broadway	241 Castle Lane West		Bournemouth	Dorset	BH8 9TG	FH	
5237	Brookhouse Farm	Middleleaze Drive		Swindon	Wiltshire	SN5 5TZ	FH	
6418	Broughton Hotel		Milton Keynes	Broughton	Buckinghamshire	MK10 9AA	FH	
6420	Bull Hotel	Hall Street	Sudbury	Long Melford	Suffolk	CO10 9JG	FH	
6066	Butterchurn	Erskine Road		Sutton	Surrey	SM1 3AS	FH	
8608	Cart & Horses	London Road	Winchester	Kingsworthy	Hampshire	SO23 7QN	FH	Y
0242	Cart Overthrown	Montague Road	London	Lower Edmonton	Greater London	N9 0ER	FH	
7670	Castle in the Air	49 Old Gosport Road		Fareham	Hampshire	PO16 0XH	FH	
8609	Catherine's Inn	Bleadon Road	Weston-Super-Mare		Somerset	BS24 0PZ	FH	
6423	Cedars Inn	Bickington Road	Barnstaple	Sticklepath	Devon	EX31 2HE	FH	Y
7673	Chequers	177 Southborough Lane		Bromley	Kent	BR2 8AP	FH	
7682	Coach & Horses	1 Great Marlborough Street		Soho	Greater London	W1F 7HG	FH	Y
7684	Coach & Horses	Poole Road		Wimborne	Dorset	BH21 1QB	FH	
6432	Cock Hotel	72-74 High Street	Milton Keynes	Stony Stratford	Buckinghamshire	MK11 1AH	FH	Y
7689	Compasses	45 Little Mount Sion		Tunbridge Wells	Kent	TN1 1YP	FH	
7691	Coopers Mill	Brunswick Street		Yeovil	Somerset	BA20 1OZ	FH	
7894	Copa of Cheltenham	66 Regent Street		Cheltenham	Gloucestershire	GL50 1HA	FH	
7696	Crab	94 High Street		Shanklin	Isle of Wight	PO37 6NS	FH	
7698	Cranleigh	1 Clingon Road		Bournemouth	Dorset	BH6 5PY	FH	
7701	Cricketers	232 Chestnut Avenue	Eastleigh	North Stoneham, Chandlers Ford	Hampshire	SO53 3HN	FH	Y
6434	Cromwell Lodge Hotel	9-11 North Bar Street		Banbury	Oxfordshire	OX16 0TB	FH	Y
3303	Cross Hands	Bridgewater Road	Bristol	Bedminster Down	Somerset	BS13 7AQ	FH	Y
2591	Crown	277 Amersham Road	High Wycombe	Hazelmere	Buckinghamshire	HP15 7QA	FH	
7704	Crown	Carfax		Horsham	West Sussex	RH12 1DW	FH	Y
7707	Crown & Horseshoes	12-15 Horseshoe Lane		Enfield	Middlesex	EN2 6PZ	FH	
6441	Danebury Hotel	2 High Street		Andover	Hampshire	SP10 1NX	FH	
5247	Dog House	Faringdon Road	Abingdon	Frilford Heath	Oxfordshire	OX13 6QJ	FH	Y
4199	Dolphin	105 High Street	Royston	Melbourn	Hertfordshire	SG8 6AP	FH	
4571	Dorset Arms	58 High Street		East Grinstead	West Sussex	RH19 3DE	FH	
7720	Druids Arms	24 Earl Street		Maidstone	Kent	ME14 1PP	FH	
7721	Druids Head	3 Market Place		Kingston-Upon-Thames	Surrey	KT1 1JT	FH	
4151	Duncombe Arms	24 Railway Street		Hertford	Hertfordshire	SG14 1BA	FH	
5249	Ely	London Road	Camberley	Blackwater	Hampshire	GU17 9LJ	FH	Y
4301	Estcourt Tavern	25 Estcourt Road		Wafford	Hertfordshire	WD17 2PY	FH	Y
7766	Feathers	49 Cambridge Road	Ware	Wadesmill	Hertfordshire	SG12 0TN	FH	
7767	Festing	1A Festing Road		Southsea	Hampshire	PO4 0NG	FH	
1533	Fig Tree	49 Windsor Street		Uxbridge	Middlesex	UB8 1AB	FH	
0250	First & Last	Church Street		Dunstable	Bedfordshire	LU5 4HP	FH	
6637	Fitzharris Arms	Thornhill Walk		Abingdon	Oxfordshire	OX14 1JH	FH	
1736	Flyer	Dickens Place		Chelmsford	Essex	CM1 4UU	FH	
7773	Fox & Hounds	Fox Lane		Wimborne	Dorset	BH21 2EQ	FH	
7978	Gardeners	Forsythia Close		Chelmsford	Essex	CM1 6XW	FH	
7786	George & Dragon	176 High Street	West Drayton	Yiewsley	Middlesex	UB7 7BE	FH	
6457	George Hotel	George Street		Huntingdon	Cambridgeshire	PE29 3AB	FH	
6458	Globe Inn	Globe Lane		Leighton Buzzard	Bedfordshire	LU7 2TA	FH	Y
7792	Golden Hind	384 Copnor Road		Portsmouth	Hampshire	PO3 5EN	FH	Y
7793	Golden Lion	7 The Strand	Worthing	Goring-By-Sea	West Sussex	BN12 6DL	FH	
7795	Good Companion	2 Eastern Road		Portsmouth	Hampshire	PO3 6ES	FH	
1072	Grapes	1 Brentgovel Street		Bury St Edmunds	Suffolk	IP33 1EA	FH	
1552	Green	9 The Green	London	Ealing	Greater London	W5 5DA	FH	
7798	Green Posts	371 London Road		Portsmouth	Hampshire	PO2 9HJ	FH	
1597	Greyfisher	Ayleswade Road		Salisbury	Wiltshire	SP2 8DW	FH	
7801	Guinea Butt	78 Calverley Road		Tunbridge Wells	Kent	TN1 2UJ	FH	
1296	Half Moon	103 Kingsway		Mildenhall	Suffolk	IP28 7HS	FH	
7758	Hand & Racquet	25-27 Wimbledon Hill		Wimbledon	Greater London	SW19 7NE	FH	
4192	Hansom Cab	Wigmore Lane	Luton	Stopsley	Bedfordshire	LU2 8AB	FH	
6464	Hare & Hounds	Downend Road		Newport	Isle of Wight	PO30 2NU	FH	

7808	Hare & Hounds	162 Cheltenham Road East		Gloucester	Gloucestershire	GL3 1AL	FH	
1554	Heathy Farm	Balcombe Road		Crawley	West Sussex	RH10 3NQ	FH	Y
6466	Highwayman	London Road		Dunstable	Bedfordshire	LU6 3DX	FH	Y
6608	Highwayman	Great North Road	Hitchin	Graveley	Hertfordshire	SG4 7EH	FH	Y
8626	Holly Tree	1008 Wimborne Road	Bournemouth	Moordown	Hampshire	BH9 2DE	FH	
7819	Hop & Kilderkin	303-305 Wimborne Road		Bournemouth	Dorset	BH9 2AA	FH	
6468	Hunters Hall Inn		Tetbury	Kingscote	Gloucestershire	GL8 8XZ	FH	
7826	Izaak Walton	Green Street		Enfield	Middlesex	EN3 7SH	FH	Y
7830	Jolly Farmer	Andover Road		Winchester	Hampshire	SO22 6AE	FH	
6657	Jude the Obscure	54 Walton Street		Oxford	Oxfordshire	OX2 6AE	FH	
7835	Kings Arms	61-63 Crouch Street		Colchester	Essex	CO3 3EY	FH	
6474	Kings Head Hotel	The Square		Wimborne	Dorset	BH21 1JG	FH	Y
7839	Kings Stores	14 Widigate Street		Whitechapel	Greater London	E1 7HP	FH	
6476	Lamb Hotel	2 Lynn Road		Ely	Cambridgeshire	CB7 4EJ	FH	
6056	Longs Arms	Yarnbrook		Trowbridge	Wiltshire	BA14 6AB	FH	
5263	Lord Nelson	78 Charlton Road		Wantage	Oxfordshire	OX12 8HL	FH	
6760	Lucas Arms	245A Grays Inn Road	London		Greater London	WC1X 8QZ	FH	
1746	Man On the Moon	86 Palmcroft Road		Ipswich	Suffolk	IP1 6QX	FH	
7854	Manor	144 Field End Road		Pinner	Middlesex	HA5 1RJ	FH	
6480	Manor Hotel	26 Hendford	Yeovil		Somerset	BA20 1TG	FH	
6809	Maynard Arms	70 Park Road	London	Crouch End	Greater London	N8 8SX	FH	
3340	Merchants Arms	Bell Hill		Bristol	Bristol	BS16 1BQ	FH	
1113	Milton Arms	205 Milton Road		Cambridge	Cambridgeshire	CB4 1XG	FH	
7867	Mount Radford	73-75 Magdalen Road		Exeter	Devon	EX2 4TA	FH	
7884	Nags Head	37 Welling High Street		Welling	Kent	DA16 1TR	FH	
1593	New Clock Inn	Fair Oak Road		Eastleigh	Hampshire	SO50 8AA	FH	
5267	New Inn	Hawley Road	Camberley	Blackwater	Surrey	GU17 9ES	FH	
1341	Oak	43 Ipswich Street		Stowmarket	Suffolk	IP14 1AH	FH	
0450	Oaks	77 Feltham Road		Ashford	Middlesex	TW15 1BS	FH	Y
8638	Old Ferry Boat	Holywell	Huntingdon	St Ives	Cambridgeshire	PE27 4TG	FH	
7881	Old Five Bells	14 Church Street	Slough	Burnham	Buckinghamshire	SL1 7HZ	FH	
1574	Old Garage	20 Replingham Road	London	Southfields	Greater London	SW18 5LS	FH	Y
6488	Old Manse Hotel	Victoria Street	Cheltenham	Bourton-on-the-Water	Gloucestershire	GL54 2BX	FH	Y
4297	Old Punch House	7 West Street		Ware	Hertfordshire	SG12 9EE	FH	
0175	Old Swan	8 Shenley Road	Milton Keynes	Bletchley	Buckinghamshire	MK3 6EZ	FH	
1449	Otter	12 The Square	Norwich	Drayton	Norfolk	NR8 6XE	FH	Y
7891	Pavilion	Wood Lane		Shepherd's Bush	Greater London	W12 0HQ	FH	Y
7806	Pippin	78 London Road		Maidstone	Kent	ME16 0DR	FH	Y
7906	Portsbridge	Portssmouth Road	Portsmouth	Cosham	Hampshire	PO6 2SJ	FH	
7909	Prince Frederick	31 Nichol Lane		Bromley	Kent	BR1 4DE	FH	
1834	Prince of Wales	23 Bridge Road		East Molesey	Surrey	KT8 9EU	FH	
6495	Queens Head	Rushden Road		Milton Ernest	Bedfordshire	MK44 1RU	FH	
9190	Raven Hotel	Station Road		Hook	Hampshire	RG27 9HS	FH	
6496	Red Lion	The Green	Banbury	Adderbury	Oxfordshire	OX17 3NG	FH	
7932	Red Lion	Gosport Road	Fareham	Stubbington	Oxfordshire	PO14 2LD	FH	
9200	Red Lion Hotel	East Street		Fareham	Hampshire	PO16 0BP	FH	
7940	Rising Sun	189-191 Eltham High Street		Eltham	Greater London	SE9 1TS	FH	
9210	Rising Sun Hotel	Cleeve Hill		Cheltenham	Gloucestershire	GL52 3PX	FH	Y
1119	Rock	200 Cherry Hinton Road		Cambridge	Cambridgeshire	CB1 7AW	FH	
6499	Roebuck	Wych Cross		Forest Row	East Sussex	RH18 5JL	FH	Y
7948	Rose & Crown	31 Mill Lane		Woodford Green	Essex	IG8 0UG	FH	
5284	Rose Revived	Newbridge		Witney	Oxfordshire	OX29 7QD	FH	
8651	Rosewood	Love Lane		Burnham-On-Sea	Somerset	TA8 1EZ	FH	Y
3470	Rowden Arms	Rowden Hill		Chippenham	Wiltshire	SN15 2AW	FH	
4391	Royal Anchor	9-11 The Square		Liphook	Hampshire	GU30 7AD	FH	
6503	Royal George Hotel		Gloucester	Birdlip	Gloucestershire	GL4 8JH	FH	
5288	Royal Oak	27 Reading Road		Yateley	Hampshire	GU46 7UG	FH	
7951	Royal Oak	Royal Oak Passage		Winchester	Hampshire	SO23 9AU	FH	Y
7952	Royal Oak	Charlton Road	Andover	Charlton	Hampshire	SP10 4AJ	FH	
7955	Royal Oak	19 Langstone High Street		Havant	Hampshire	PO9 1RY	FH	
5289	Royal Standard	115 Frimley Road		Camberley	Surrey	GU15 2PP	FH	
6690	Royal Standard	78 London Road	Oxford	Headington	Oxfordshire	OX3 9AJ	FH	
6506	Ryde Castle Hotel	Esplanade		Ryde	Isle of Wight	PO33 1JA	FH	
3273	Seven Springs	Seven Springs		Cheltenham	Gloucestershire	GL53 9NG	FH	
3644	Shamblehurst Barn	Old Shamblehurst Lane	Southampton	Hedge End	Hampshire	SO30 2RX	FH	
7967	Sherlock Holmes	10 Northumberland Street		Greater London	Greater London	WC2N 5DB	FH	
5293	Silver Birch	Liscombe		Bracknell	Berkshire	RG12 7DE	FH	
7972	Silver Fern	19 Warsash Road	Southampton	Warsash	Hampshire	SO31 9HW	FH	
6285	Six Bells	Church Lane	Reading	Shinfield	Berkshire	RG2 9DA	FH	
6692	Six Bells	3 Beaumont Road	Oxford	Headington	Oxfordshire	OX3 8JN	FH	Y
5586	Spencers	The Pound	Maidenhead	Cookham	Berkshire	SL6 9QE	FH	Y
5296	Spread Eagle	Norfolk Road		Reading	Berkshire	RG30 2EG	FH	
9230	St Leonards Hotel	185 Ringwood Road	Ringwood	St Leonards	Hampshire	BH24 2NP	FH	
3500	Star	86 Hanham Road	Bristol	Kingswood	Gloucestershire	BS15 8NP	FH	
7982	Star	1 The Broadway		Haywards Heath	West Sussex	RH16 3AQ	FH	
7983	Star & Garter	230 Copnor Road		Portsmouth	Hampshire	PO3 5DB	FH	
6518	Swan	High Street		Alton	Hampshire	GU34 1AT	FH	
3291	Swan Inn	Tockington Green	Bristol	Tockington	Gloucestershire	BS32 4NJ	FH	Y
5135	Tawny Owl	Fyfield Barrow	Milton Keynes	Walnut Tree	Buckinghamshire	MK7 7AN	FH	Y
7994	Testwood	Salisbury Road	Southampton	Totton	Hampshire	SO40 3ND	FH	
5675	Tide End Cottage	8 Ferry Road		Teddington	Middlesex	TW11 9NN	FH	
5301	Two Poplars	118 Finchampstead Road		Wokingham	Berkshire	RG41 2NU	FH	
1958	Twynersh	Thorpe Road		Chertsey	Surrey	KT16 9EJ	FH	Y
6020	Unicorn	227 Camden Road	London	Camden Town	Greater London	NW1 9AA	FH	Y

8008	Unicorn	225 Clayhall Avenue		Ilford	Essex	IG5 0NY	FH	
8013	Walkford	16 Walkford Road	Christchurch	Walkford	Dorset	BH23 5QF	FH	Y
6516	Waterfront Inn	43 Mere Street		Diss	Norfolk	IP22 4AG	FH	
5306	Wee Waif	Old Bath Road	Reading	Charvil	Berkshire	RG10 9RJ	FH	
6080	West End Inn	Semington Road		Melksham	Wiltshire	SN12 6DD	FH	
8022	Westbourne	45 Poole Road		Bournemouth	Dorset	BH4 9DN	FH	
1961	Wheatsheaf	Northdown Park Road		Margate	Kent	CT9 3LN	FH	
6529	White Hart	Market End		Coggeshall	Essex	CO6 1NH	FH	Y
6702	White Horse	Churchill Road		Bicester	Oxfordshire	OX26 4UA	FH	
5308	White Horse Hotel	High Street	Brighton	Rottingdean	East Sussex	BN2 7HR	FH	
4278	White Lion	60 High Street		Stevenage	Hertfordshire	SG1 3EA	FH	
5311	White Swan	10 Swan Lane		Sandhurst	Berkshire	GU47 9BU	FH	
7782	George	74 Bexley High Street		Bexley	Kent	DA5 1AJ	FH/LLH	
6064	Spotted Cow	The Coate	Swindon	Coate	Wiltshire	SN3 6AA	FH/LLH	
1948	Boathouse	14 Chesterton Road		Cambridge	Cambridgeshire	CB4 3AX	FH/SLH	
7771	Folly	Folly Lane		East Cowes	Isle of Wight	PO32 6NB	FH/SLH	Y
7887	Old Star	66 Broadway		City-Of-Westminster	Greater London	SW1H 0DB	FH/SLH	Y
7904	Pond House	53 Bath Road		Maidenhead	Berkshire	SL6 4AL	FH/SLH	
3017	Baron of Beef	19 Bridge Street		Cambridge	Cambridgeshire	CB2 1UF	LLH	Y
6635	Bullnose Morris	Watlington Road	Oxford	Cowley	Oxfordshire	OX4 6SS	LLH	Y
8612	College Oak	Peachcroft Road	Oxford	Abingdon	Oxfordshire	OX14 2NA	LLH	
8613	County Arms	85 Romsey Road		Winchester	Hampshire	SO22 5DL	LLH	
7708	Crown Wood	Opladen Way		Bracknell	Berkshire	RG12 0PE	LLH	
1965	Farmhouse	Burrfields Road		Portsmouth	Hampshire	PO3 5HH	LLH	Y
3064	Moorhen	Burnt Mill Lane		Harlow	Essex	CM20 2QS	LLH	
3080	Old Rep	Tower Street		Ipswich	Suffolk	IP1 3BE	LLH	
3047	Owl & Pussycat	Grange Farm Avenue		Felixstowe	Suffolk	IP11 2XD	LLH	
7931	Red Lion	1 West Street	Fareham	Portchester	Hampshire	PO16 9XB	LLH	
5290	Running Horse	London Road		Bracknell	Berkshire	RG12 2UJ	LLH	
8039	Windmill	Village Centre	Swindon	Freshbrook	Wiltshire	SN5 8LY	LLH	

**Freehold** 173  
**Mixed Tenure** 6  
**Long Leasehold** 12  
**Total Properties** 191  
**Sample Properties** 46

### Managed House Estate Portfolio 2

House No	House Name	Address	Postal Town	City/Town	County	Post Code	Tenure	Sample Property
1496	Anne Boleyn	93 Southend Road		Rochford	Essex	SS4 1HU	FH	
3653	Armstrongs	136 Battlefield Road		Glasgow	Lanarkshire	G42 9JT	FH	Y
7619	Arrowe Park	Arrowe Park Road		Wirral	Merseyside	CH49 5LN	FH	Y
6590	Auld Bond	198 Dunkeld Road		Perth	Perth & Kinross	PH1 3GD	FH	
7624	Basset Hound	107 Barnston Road	Wirral	Thingwall	Merseyside	CH61 1AS	FH	
7625	Bath House	96 Dean Street		Soho	Greater London	W1D 3TD	FH	
7713	Bath House	The Esplanade		Exmouth	Devon	EX8 2AZ	FH	Y
6084	Bear & Ragged Staff	2 London Road	Dartford	Crayford	Kent	DA1 4BH	FH	
7629	Bears Paw	Dicksons Drive	Chester	Newton	Cheshire	CH2 2BT	FH	
4635	Beekeeper	Meadow Lane	Nottingham	Beeston	Nottinghamshire	NG9 5AE	FH	
1944	Birds	108 Halmer Gate		Spalding	Lincolnshire	PE11 2EL	FH	
7640	Black Horse	284 County Road	Liverpool	Walton	Merseyside	L4 5PW	FH	
7641	Black Horse	641 Prescot Road	Liverpool	Old Swan	Merseyside	L13 5XD	FH	
7643	Blackbirds	25-27 High Street	Bedford	Filtwick	Bedfordshire	MK45 1DX	FH	
5231	Blue Boar	4 Newbury Street		Wantage	Oxfordshire	OX12 8BS	FH	Y
7647	Bold Forester	177 Albert Road		Southsea	Hampshire	PO4 0UW	FH	
1953	Bradmore Arms	Trysull Road		Wolverhampton	West Midlands	WV3 7HX	FH	
7655	Bromborough	2 Bromborough Village Road		Wirral	Merseyside	CH62 7ES	FH	
6421	Bull Hotel	Bridge Street		Halstead	Essex	CO9 1HU	FH	
7665	Caernarvon Castle	10 Bidston Road		Prenton	Merseyside	CH43 2JZ	FH	
7667	Carleton	Hardwick Road		Pontefract	West Yorkshire	WF8 3PQ	FH	
7672	Chapel House	Chapel House Buildings	Bradford	Low Moor	West Yorkshire	BD12 0HP	FH	
4360	Cherry Tree	London Road		Newcastle	Staffordshire	ST5 1NZ	FH	Y
7685	Coach House	Manor Gardens	Weston-Super-Mare	Locking	Somerset	BS24 8DG	FH	Y
4155	Cock	8 High Street		Hitchin	Hertfordshire	SG5 1BH	FH	
1590	Cock & Bull	43 High Street	Uckfield	Newton	East Sussex	TN22 1AJ	FH	Y
1739	Cock & Pye	13 Upper Brook Street		Ipswich	Suffolk	IP4 1EG	FH	
7740	Copper Pot	41-43 Warwick Street		Leamington Spa	Warwickshire	CV32 5JX	FH	
7694	Cottage Loaf	338 Telegraph Road	Wirral	Thurstaston	Merseyside	CH61 0HU	FH	
1556	Cricketers	The Green		Richmond	Surrey	TW9 1LX	FH	Y
1763	Cricketers	88 High Street	Gillingham	Rainham	Kent	ME8 7JH	FH	
5110	Cricketers	247 Oldbrook Boulevard	Milton Keynes	Oldbrook	Buckinghamshire	MK6 2QA	FH	
5244	Cricketers	Cricket Hill Lane		Yateley	Hampshire	GU46 6BA	FH	
7702	Cross House Inn	Three Tuns Lane, Cross Green		Formby	Merseyside	L37 4BH	FH	Y
7706	Crown	15 Booths Hill Road		Lymm	Cheshire	WA13 0DJ	FH	Y
4686	Crusader	Hartness Road		Nottingham	Nottinghamshire	NG11 8SG	FH	Y
1938	Cuckoo Oak	Bridgenorth Road	Telford	Madeley	Shropshire	TF7 4JD	FH	Y
7709	Cuckoo Pint	120 Cuckoo Lane		Fareham	Hampshire	PO14 3OP	FH	Y
7710	Cumberland	Thorne Road		Doncaster	South Yorkshire	DN2 5AA	FH	
6631	Dairy Maid	Dunsham Lane		Aylesbury	Buckinghamshire	HP20 2ER	FH	
7711	Darleys	312 Boothferry Road		Hessle	North East	HU13 9AR	FH	

7716	Dirty Duck	Waterside		Stratford-Upon-Avon	Warwickshire	CV37 6BA	FH	
7719	Dragon	150 Whitehall Road		Leeds	West Yorkshire	LS12 4TJ	FH	
6140	Dunvant	Dunvant Road	Swansea	Dunvant	Glamorgan	SA2 7SL	FH	
7761	Farmers	Lytham Road		Blackpool	Lancashire	FY4 1JH	FH	Y
7762	Farmers Arms	2 Netherton Road		Wirral	Merseyside	CH46 7TR	FH	
7764	Farmhouse	Wellington Road	Bristol	Yate	Gloucestershire	BS37 5UY	FH	
9160	Fieldhead Hotel	Markfield Lane		Markfield	Leicestershire	LE67 9PS	FH	Y
7768	Fishermans Rest	Mill Lane	Fareham	Titchfield	Hampshire	PO15 5RA	FH	
3735	Foundry	3 Murray Street		Perth	Perth and Kinross	PH1 5PJ	FH	Y
4049	Fox & Hounds	178 Goldington Road		Bedford	Bedfordshire	MK40 3EB	FH	
7521	Fox under the Hill	Shooters Hill Road	London	Shooters Hill	Greater London	SE18 4LT	FH	
7775	Freshfield	Massams Lane		Liverpool	Merseyside	L37 7BD	FH	
7779	Gascoignes	6 Aberford Road	Leeds	Garforth	West Yorkshire	LS25 1PX	FH	
2870	George	12 Post Office Lane	Slough	George Green	Buckinghamshire	SL3 6AX	FH	
7783	George & Dragon	1 Liverpool Road		Chester	Cheshire	CH2 1AA	FH	Y
7789	Glovers Needle	Windermere Drive		Worcester	Worcestershire	WR4 9JB	FH	
7790	Goat	250 High Street		Enfield	Middlesex	EN3 4HB	FH	
7791	Gold Medal	Chowdene Bank		Gateshead	Tyne and Wear	NE9 6PJ	FH	
1107	Granta	14 Newnham Terrace		Cambridge	Cambridgeshire	CB3 9EX	FH	
5119	Grebe	Kensington Drive	Milton Keynes	Great Holm	Buckinghamshire	MK8 9AN	FH	Y
6460	Green Man	High Street	Olney	Lavendon	Buckinghamshire	MK46 4HA	FH	
3973	Greenhills	Greenhills Square	Glasgow	East Kilbride	Lanarkshire	G75 8TT	FH	Y
7747	Guild	99 Fylde Road		Preston	Lancashire	PR1 2XQ	FH	
0118	Halcyon	Atherstone Avenue		Peterborough	Cambridgeshire	PE3 9TT	FH	
1951	Harbour	Foryd Road	Rhyl	Kinmel Bay	Clywd	LL18 5BA	FH	
0249	Heights	1 George Street		Luton	Bedfordshire	LU1 2AA	FH	
0496	Honeycombe	417 Staines Road		Hounslow	Middlesex	TW4 5AR	FH	
7822	Horsforth	57 Featherbank Lane	Leeds	Horsforth	West Yorkshire	LS18 4NA	FH	
7832	King Rufus	135 Winchester Road	Eastleigh	Chandlers Ford	Hampshire	SO53 2DU	FH	
4405	Kings Arms	42 High Street		Bagshot	Surrey	GU19 5AZ	FH	
7834	Kings Arms	Kings Lane		Wirral	Merseyside	CH63 8NR	FH	
7838	Kings Head	Gloucester Road	Gloucester	Upton St Leonards	Gloucestershire	GL4 8AA	FH	
0406	Lansdown	Lansdown Road		Cheltenham	Gloucestershire	GL50 2LG	FH	Y
8106	Lincoln Arms	155 Percival Road		Enfield	Middlesex	EN1 1QT	FH	
7845	Lion & Unicorn	6 Church Road	Liverpool	Waterloo	Merseyside	L22 5NB	FH	
8630	Little Harp	Elton Road	Avon	Clevedon	Somerset	BS21 7RH	FH	
8619	Magic Roundabout	Charlton Road		Andover	Hampshire	SP10 3JJ	FH	
2844	Maidens	232 Shinfield Road		Reading	Berkshire	RG2 8EX	FH	Y
7856	Manor House	43 Court Lane		Portsmouth	Hampshire	PO6 2LJ	FH	Y
4556	Marlborough Head	14 East Street		Farnham	Surrey	GU9 7RX	FH	Y
7858	Marlow Donkey	Station Road		Marlow	Buckinghamshire	SL7 1NW	FH	
6138	Midday Sun	Outwood Lane	Coulsdon	Chipstead	Surrey	CR5 3NA	FH	
5264	Midget	Midget Close		Abingdon	Oxfordshire	OX14 5NR	FH	
1968	Mill on the Soar	Coventry Road	Leicester	Broughton Astley	Leicestershire	LE9 6QA	FH	
8151	Minstrel Boy	156 Colney Hatch Lane	London	Muswell Hill	Greater London	N10 1ER	FH	
7679	Mischief	118 London Road		Portsmouth	Hampshire	PO2 0LZ	FH	
3797	Molly Malones	224 Hope Street		Glasgow	Lanarkshire	G2 2UG	FH	Y
7866	Monks Brook	19 Hursley Road	Eastleigh	Chandlers Ford	Hampshire	SO53 2FS	FH	
3798	Montford House	23-27 Curtis Avenue	Glasgow	Kings Park	Lanarkshire	G44 4QD	FH	Y
8635	Mount Pleasant	Hinckley Road	Coventry	Walsgrave On Sowe	Warwickshire	CV2 2EU	FH	
7751	Museum	25 Orchard Square		Sheffield	South Yorkshire	S1 2FB	FH	
7872	New Derby	Roker Baths Road		Sunderland	Tyne and Wear	SR6 9TA	FH	Y
6669	New Inn	Bath Road	Bath	Farmborough	Somerset	BA2 0EG	FH	
7873	New Inn	68 Otley Road		Leeds	West Yorkshire	LS6 4BA	FH	
7874	New Moon	88 Gracechurch Street		Whitechapel	Greater London	EC3V 0DN	FH	Y
7878	Oaklands Hotel	93 Hoole Road		Chester	Cheshire	CH2 3NB	FH	
0506	Old Bull & Bush	93 Askew Road	London	Shepherds Bush	Greater London	W12 9BJ	FH	
7883	Old House At Home	73 Burton Road		Withington	Greater Manchester	M20 1HB	FH	
8642	Osborne Inn	54 Shirley Road		Southampton	Hampshire	SO15 3EX	FH	
7746	Parkstone	382 Ashley Road		Poole	Dorset	BH14 9DQ	FH	
7892	Pen & Parchment	Bridgefoot		Stratford-Upon-Avon	Warwickshire	CV37 6YY	FH	Y
7895	Pheasant	108 Gelderd Road	Batley	Birstall	West Yorkshire	WF17 9LP	FH	
8006	Poets Corner	56 City Road		Cardiff	South Glamorgan	CF24 3DN	FH	
7728	Queen Victoria	133 - 139 Victoria Road		Aldershot	Hampshire	GU11 1JW	FH	
7914	Queens Head	The Cross	Ringwood	Burley	Hampshire	BH24 4AB	FH	
7915	Queens Head	Front Street		Chester-Le-Street	Durham	DH3 3BJ	FH	Y
8647	Queens Head	Portsmouth Road	Eastleigh	Fishers Pond	Hampshire	SO50 7HF	FH	
7918	Queensway	Ashby Road		Scunthorpe	North East	DN16 2AG	FH	Y
					Lincolnshire			
1949	Rake	Rake Lane	Chester	Little Stanney	Cheshire	CH2 4HS	FH	Y
2446	Red House	Walford Road	Rickmansworth	Croxley Green	Hertfordshire	WD3 3DX	FH	
2106	Red Lion	1 St Marys Road		Slough	Buckinghamshire	SL3 7EN	FH	
7926	Red Lion	27 High Street		Skipton	North Yorkshire	BD23 1DT	FH	
7928	Red Lion	High Street	Marlborough	Avebury	Wiltshire	SN8 1RF	FH	
7929	Red Lion	37-38 Priestgate		Darlington	Durham	DL1 1NG	FH	
7930	Red Lion	294 Blandford Road		Poole	Dorset	BH15 4JQ	FH	
7933	Red Lion	Sheffield Road	Sheffield	Todwick	South Yorkshire	S26 1DJ	FH	
7943	Robin Hood	19 Market Street	Bury	Tottington	Greater Manchester	BL8 4AA	FH	
7947	Rose & Crown	152 Ledbury Road		Hereford	Herefordshire	HR1 1RG	FH	
8650	Rose & Crown	73 High Street	Northampton	Rushden	Northamptonshire	NN10 0QE	FH	Y
7949	Rosedene	Queen Alexandra Road		Sunderland	Tyne and Wear	SR2 9BT	FH	
7950	Roundhay	Roundhay Road		Leeds	West Yorkshire	LS8 4AR	FH	
7953	Royal Oak	440 Barlow Moor Road		Chorlton-Cum-Hardy	Greater Manchester	M21 0BQ	FH	Y
7956	Royal Oak	Aldershot Road	Woking	Pirbright	Surrey	GU24 0DO	FH	

7957	Rudds Arms	Stokesley Road	Middlesborough	Marton-In-Cleveland	Cleveland	TS7 8BG	FH	
7959	Sandpiper	97 Bure Lane		Christchurch	Dorset	BH23 4DN	FH	
7968	Sherwood	67 Birley Moor Road		Sheffield	South Yorkshire	S12 4WG	FH	
1962	Ship	Harbour Road		Barry	Glamorgan	CF62 5SB	FH	
7969	Ship	1-3 Martins Lane		Exeter	Devon	EX1 1EY	FH	
7970	Ship Anson	10 The Hard		Portsmouth	Hampshire	PO1 3DT	FH	
8654	Sixfields	Sixfields Leisure		Northampton	Northamptonshire	NN5 5QL	FH	
1935	Sloop Inn	Newton Road	Newton Abbot	Kingskerswell	Devon	TO12 5ES	FH	Y
7977	Spice Island	1 Bath Square		Portsmouth	Hampshire	PO1 2JL	FH	
7985	Station	1 Station Approach		Knebworth	Hertfordshire	SG3 6AT	FH	
2410	Stonegallows Inn	Stonegallows		Taunton	Somerset	TA1 5JP	FH	
7986	Strawberry	228 Abbey Road		Barrow-In-Furness	Cumbria	LA14 5LD	FH	
4890	Thatch & Thistle	Surrey Road		Nelson	Lancashire	BB9 7TZ	FH	
6048	Travellers Joy	Downhall Road		Rayleigh	Essex	SS6 9JF	FH	
3281	Travellers Rest	Gloucester Road	Bristol	Patchway	Gloucestershire	BS34 6NR	FH	
8003	Turf Tavern	Newmarket Road		Carlisle	Cumbria	CA1 1JG	FH	
8005	Tut N Shive	6 West Laithe Gate		Doncaster	South Yorkshire	DN1 1SF	FH	
7080	Vale Royal Abbey Arms	Chester Road	Northwich	Oakmere	Cheshire	CW8 2HB	FH	Y
6116	Wackum Inn	533 Whitehall Road		Bristol	Bristol	BS5 7DA	FH	Y
5260	Warren	Stamford Road		Kettering	Northamptonshire	NN16 8FD	FH	
5305	Weathervane	Lysander Road		Stoke-On-Trent	Staffordshire	ST3 7WA	FH	
6597	Web Spinner	Springkerse Business Park		Stirling	Central	FK7 7XF	FH	
8020	Wellington	10 The Village	Wirral	Bebington	Merseyside	CH63 7PW	FH	
2799	Westside	12 Tilehurst Road		Reading	Berkshire	RG1 7TN	FH	Y
4075	White Hart	22-24 Market Square		Biggleswade	Bedfordshire	SG18 8AR	FH	Y
6102	White Horse	9 Gilmore End Road	Reading	Emmer Green	Berkshire	RG4 8SD	FH	
8033	White Horse	1 London Road	Oxford	Headington	Oxfordshire	OX3 7SP	FH	
8037	Williams Ale & Wine House	22-24 Artillery Lane		Whitechapel	Greater London	E1 7LS	FH	
8040	Woodies	104 Otley Road		Leeds	West Yorkshire	LS16 5JG	FH	Y
3945	Yard	Loreburn Street		Dumfries	Dumfries & Galloway	DG1 1HN	FH	Y
1954	Grandstand	Grandstand Road		Hereford	Herefordshire	HR4 9NH	FH/LLH	Y
8024	Wharnccliffe	127 Bevercotes Road		Sheffield	South Yorkshire	S5 6HB	FH/LLH	
8641	Old Royal Oak	Crick Road		Rugby	Warwickshire	CV21 4PW	FH/SLH	
5113	Crab & Winkle	3 Loxley		Peterborough	Cambridgeshire	PE4 5BW	LLH	Y
5262	Ladygrove	23 Cow Lane		Didcot	Oxfordshire	OX11 7SZ	LLH	
7774	Monument	Whitecross Road		Hereford	Herefordshire	HR4 0LT	LLH	
3081	Old Tea Warehouse	4, 6 8 Creechurch Lane	London		Greater London	EC3A 5AY	LLH	
7893	Penny Black	Pond Hill		Sheffield	South Yorkshire	S1 2BG	LLH	
7913	Pump House	Albert Dock		Liverpool	Merseyside	L3 4AN	LLH	Y
7971	Shuttle & Loom	Whinfield Road		Darlington	Durham	DL1 3RW	LLH	Y
7973	Skyrack	2 St Michaels Road		Leeds	West Yorkshire	LS6 3AW	LLH	
7989	Sundial	Sea Road		South Shields	Tyne and Wear	NE33 2LD	LLH	
7993	Taps	12 Henry Street		Lytham St Annes	Lancashire	FY8 5LE	LLH	
7997	Tollgate	16 Mary Rose Mall		Beckton	Greater London	E6 5LX	LLH	
8001	Trawl	Yarborough Road		Grimsby	North East	DN34 4ES	LLH	
					Lincolnshire			
8660	West End Brewery	59 High Street	Southampton	West End	Hampshire	SO30 3DQ	LLH	
3002	Willow Beauty	Hodings Road		Harlow	Essex	CM20 1NN	LLH	
5107	Pied Piper	Oaks Cross		Stevenage	Hertfordshire	SG2 8LU	SLH	Y
8041	Woodlands Edge	Midwinter Close		Swindon	Wiltshire	SN5 5EZ	SLH	Y

**Freehold and Feuhold/Heritable Mixed Tenure** 154  
**Long Leasehold** 3  
**Short Leasehold** 14  
**Total Properties** 2  
**Sample Properties** 173  
**Sample Properties** 46

### Managed House Estate Portfolio 3

House No	House Name	Address	Postal Town	City/Town	County	Post Code	Tenure	Sample Property
7611	Acorn	516 Burncross Road	Sheffield	Burncross	South Yorkshire	S35 1SL	FH	
7615	Ancient Foresters	230 High Street	Bradford	Wibsey	West Yorkshire	BD6 1QP	FH	
8602	Anton Arms	Salisbury Road		Andover	Hampshire	SP10 2JN	FH	
7733	Avery	69-76 Regent Street		Cambridge	Cambridgeshire	CB2 1AB	FH	
7621	Baffins	127 Tangier Road		Portsmouth	Hampshire	PO3 6PD	FH	Y
7622	Ball	171-173 Crookes		Sheffield	South Yorkshire	S10 1UD	FH	Y
7623	Bamburgh	175 Bamburgh Avenue		South Shields	Tyne and Wear	NE34 6SS	FH	
8603	Barleycorn	2 Lower Northam Road	Southampton	Hedge End	Hampshire	SO30 4FQ	FH	
5224	Bay Tree	The Green	Wantage	Grove	Oxfordshire	OX12 0AN	FH	Y
7627	Beaonfield	3-5 Beaonsfield Road		Gateshead	Tyne and Wear	NE9 5EU	FH	
7628	Bear & Ragged Staff	68 Warwick Road		Kenilworth	Warwickshire	CV8 1HH	FH	
5226	Bell	79 The Street	Gifford	Crowmarsh	Oxfordshire	OX10 8EF	FH	
7632	Bell	Shottery Village	Stratford-upon-Avon	Shottery	Warwickshire	CV37 9HD	FH	
8607	Bell Inn	207 Preston Road		Yeovil	Somerset	BA20 2EW	FH	Y
7633	Ben Lomond	Grange Road West		Jarrow	Tyne and Wear	NE32 3JA	FH	
7634	Bent Brook	161 Broadway	Manchester	Urmston	Greater Manchester	M41 7NW	FH	
5239	Big Cheese	128-130 West End Road		Southampton	Hampshire	SO18 6PH	FH	
7635	Big Tree	842 Chesterfield Road		Sheffield	South Yorkshire	S8 0SF	FH	Y
7638	Birkey	35 Cooks Road		Liverpool	Merseyside	L23 2TB	FH	

0247	Biscot Mill	Biscot Road		Luton	Bedfordshire	LU3 1AS	FH	Y
5228	Black Boy	Shinfield Road	Reading	Shinfield	Berkshire	RG2 9BP	FH	
7639	Black Bull	Middle Street		Corbridge	Northumberland	NE45 5AT	FH	
7642	Black Horse	Longbrook Street		Exeter	Devon	EX4 6AB	FH	
7644	Blue Anchor	32 School Lane	Liverpool	Aintree	Merseyside	L10 8LH	FH	Y
7646	Bold Forester	Botany Avenue		Mansfield	Nottinghamshire	NG18 5NE	FH	
7650	Bridge	Wokingham Road		Bracknell	Berkshire	RG42 1PP	FH	
7652	Broadfield	452 Abbeydale Road		Sheffield	South Yorkshire	S7 1FR	FH	
6086	Brockley Jack	408-410 Brockley Road	London		Greater London	SE4 2DH	FH	
7659	Buff	Pinewood Drive		Orpington	Greater London	BR6 9NL	FH	
7660	Bull	Boxley Road	Maidstone	Penenden Heath	Kent	ME14 2DH	FH	
0220	Bull & Anchor	233 Wheelwright Lane	Coventry	Ash Green	Warwickshire	CV7 9HN	FH	Y
4336	Bumble Bee	Coniston Road	Bedford	Flitwick	Bedfordshire	MK45 1QY	FH	
7662	Bunch of Cherries	Hatfield Road		St Albans	Hertfordshire	AL4 0XG	FH	
5384	Bystander	Besselsleigh Road	Abingdon	Wootton	Oxfordshire	OX13 6DN	FH	
7663	Byways	Station Road	Scarborough	Crossgates	North Yorkshire	YO12 4LT	FH	
7664	Cabbage Hall	20 Breck Road	Liverpool	Anfield	Merseyside	L4 2RB	FH	
7669	Castle	Castle Street		Bakewell	Derbyshire	DE45 1DU	FH	
7671	Cat	Greasby Road	Wirral	Greasby	Merseyside	CH49 3AT	FH	
7674	Chequers	East End	Dunstable	Houghton Regis	Bedfordshire	LU5 5LB	FH	Y
8611	Churchill House	Swindon Road	Swindon	Wootton Bassett	Wiltshire	SN4 8ET	FH	
9130	Coleshill Hotel	152-156 High Street	Birmingham	Coleshill	Warwickshire	B46 3BG	FH	
7687	Commercial	403 Gower Way	Swansea	Killay	West Glamorgan	SA2 7AN	FH	Y
7688	Commodore	Southbourne Overcliffe Drive		Bournemouth	Dorset	BH6 3TD	FH	
1974	Copcut Elm	Worcester Road	Droitwich	Copcut	Worcestershire	WR9 7JA	FH	
7692	Coronation	12 King Street		Southport	Merseyside	PR8 1JZ	FH	
7700	Cricketers	The Green	Brighton	Southwick	West Sussex	BN42 4GF	FH	
7714	Devon	Kingswear Parade		Leeds	West Yorkshire	LS15 8LR	FH	Y
7717	Dog & Partridge	19 Bare Lane		Morecambe	Lancashire	LA4 6DE	FH	
5248	Dolphin	9 High Street	Southampton	Botley	Hampshire	SO30 2EA	FH	
0430	Duke of Wellington	279 Staines Road		Hounslow	Middlesex	TW4 5AL	FH	
8225	Duke of Wellington	The Street	Chelmsford	Hatfield Peverel	Essex	CM3 2EA	FH	Y
7726	Endbutt	63-65 Endbutt Lane		Liverpool	Merseyside	L23 0TU	FH	Y
7727	Ewe & Lamb	140 Luton Road		Dunstable	Bedfordshire	LU5 4LE	FH	
0604	Farmers Arms	209 Stockport Road		Stockport	Cheshire	SK3 0LX	FH	
7763	Farmhouse	Churchill Road		Exmouth	Devon	EX8 4JJ	FH	
7769	Flag	Arnold Road	Bolton	Egerton	Greater Manchester	BL7 9HL	FH	
3736	Four Marys	65-67 High Street		Linlithgow	West Lothian	EH49 7ED	FH	Y
1801	Frog & Railway	474 Didsbury Road		Stockport	Cheshire	SK4 3BS	FH	Y
6452	Fromebridge Mill	Fromebridge Lane		Whitminster	Gloucestershire	GL2 7PD	FH	
3742	Gardenhall Inn	Gardenhall	East Kilbride	Mossneuk	Lanarkshire	G75 8SP	FH	
4019	George IV	London Road		Baldock	Hertfordshire	SG7 6LZ	FH	
3744	Georgic	1097 Pollockshaws Road	Glasgow	Shawlands	Lanarkshire	G41 3YG	FH	
3748	Globe	13 North Silver Street		Aberdeen	Aberdeenshire	AB10 1RJ	FH	Y
0705	Golden Hind	Lisburne Lane	Stockport	Offerton	Cheshire	SK2 5RH	FH	
7794	Golden Pheasant	221 Chellaston Road		Derby	Derbyshire	DE24 9EE	FH	
4718	Governors House	43 Ravenoak Road	Cheadle	Cheadle Hulme	Cheshire	SK8 7EQ	FH	
1959	Greene Man	Old Church Road	London	Chingford	Greater London	E4 6RB	FH	
7799	Griffin	Church Road	Cardiff	Lisvane	South Glamorgan	CF14 0SJ	FH	
7800	Guildford	95 Sutton Road		Southend-On-Sea	Essex	SS2 5PB	FH	
7810	Hatherley	Hatherley Road		Cheltenham	Gloucestershire	GL51 6EB	FH	
7811	Hendon	377 Hendon Way		Hendon	Greater London	NW4 3LP	FH	Y
2933	Henry IV	Greenway Lane		Fakenham	Norfolk	NR21 8ES	FH	
4732	High Park	Bradley Road		Huddersfield	West Yorkshire	HD2 1PX	FH	
7818	Hop	2 King Street		Blackpool	Lancashire	FY1 3EJ	FH	
7820	Hop & Vine	28 London Road		Gillingham	Kent	ME8 6YX	FH	
0185	Hope & Anchor	Wanlip Road		Syston	Leicestershire	LE7 1PD	FH	Y
4343	Hope & Anchor	207 Upper Street	London	Islington	Greater London	N1 1RL	FH	
7828	Jingling Gate	Stamfordam Road		Newcastle-Upon-Tyne	Tyne and Wear	NE5 1NL	FH	
7831	Jolly Sailor	The Quay		Poole	Dorset	BH15 1HJ	FH	
7837	Kings Head	149 Lower Cippenham Lane		Slough	Berkshire	SL1 5DS	FH	
7840	Knowsley	46 Haymarket Street		Bury	Greater Manchester	BL9 0AY	FH	Y
7760	Lendal Cellars	26 Lendal		York	North Yorkshire	YO1 8AA	FH	Y
7844	Lighthouse	Wallasey Village		Wallasey	Merseyside	CH45 3LP	FH	
6078	Lion	295 West End Lane	London	West Hampstead	Greater London	NW6 1RD	FH	Y
7847	Lonsdale	Sandringham Road		Doncaster	South Yorkshire	DN2 5HY	FH	Y
7249	Lullingstone Castle	2 High Street		Swanley	Kent	BR8 8BE	FH	Y
1612	Magpie	64 Thames Street		Sunbury On Thames	Middlesex	TW16 6AF	FH	
7851	Malt Shovel	21 Crab Lane		Leeds	West Yorkshire	LS12 3AG	FH	
7859	Masons Arms	646 Prescot Road	Liverpool	Old Swan	Merseyside	L13 5XE	FH	
7860	Masons Arms	Bawtry Road	Rotherham	Wickersley	South Yorkshire	S66 1JY	FH	
7861	Master Potter	Teon Road	Stoke-On-Trent	Cheadle	Staffordshire	ST10 1LW	FH	
6667	Merlin	Drove Road		Swindon	Wiltshire	SN1 3AF	FH	
6483	Millers Hotel	Twycross Road	Nuneaton	Sibson	Warwickshire	CV13 6LB	FH	Y
7865	Monkhams	Buckhurst Way		Buckhurst Hill	Essex	IG9 6HY	FH	
4775	Mundy Arms	Ilkeston Road	Heanor	Marlpool	Derbyshire	DE75 7LX	FH	
7869	Nags Head	Green Lane	Liverpool	Crosby	Merseyside	L23 1TJ	FH	
7870	National Hunt	Benhall Avenue		Cheltenham	Gloucestershire	GL51 6AF	FH	
7871	Netherton	Church Road	Liverpool	Litherland	Merseyside	L21 5HF	FH	
4244	New Inn	18 High Street	Huntingdon	St Neots	Cambridgeshire	PE19 1JA	FH	
7875	Newton Park	Benton Road		Newcastle-Upon-Tyne	Tyne and Wear	NE7 7EB	FH	
7752	No 2 Baker Street	2 Baker Street		Stirling	Stirling	FK8 1BJ	FH	Y
5287	Oak	118 Park Road		Didcot	Oxfordshire	OX11 8QR	FH	
3809	Old Blackfriars	52 Castle Street		Aberdeen	Aberdeenshire	AB11 5BB	FH	

3970	Old Brewery	20 East Vennel		Alloa	Clackmannanshire	FK10 1ED	FH	
7880	Old Farmhouse	Ringwood Road	Southampton	Totton	Hampshire	SO40 8EA	FH	Y
6106	Old Inn	Main Road	Weston Super Mare	Hutton	Somerset	BS24 9QQ	FH	
7886	Old Red Lion	York Road		Leeds	West Yorkshire	LS14 2AD	FH	
5274	Old White Hart	London Road		Hook	Hampshire	RG27 9DJ	FH	
1972	Oxon Priory	Shelton Corner, Welshpool Road	Shrewsbury	Shelton	Shropshire	SY3 8DL	FH	
5276	Oystercatcher	Terra Nova Way		Penarth	Glamorgan	CF64 1SB	FH	Y
7896	Phoenix	2 High Lane	Sheffield	Ridgeway	South Yorkshire	S12 3XF	FH	Y
7900	Pinner Arms	Whittington Way		Pinner	Middlesex	HA5 5JS	FH	
1118	Prince Regent	91 Regent Street		Cambridge	Cambridgeshire	CB2 1AW	FH	
7911	Priory	Ashby Road		Scunthorpe	North East	DN16 2AB	FH	
					Lincolnshire			
7919	Raby Arms	Front Street	Hartlepool	Hart	Durham	TS27 3AJ	FH	
7920	Railway	Station Road		Burgess Hill	West Sussex	RH15 9DQ	FH	Y
7923	Railway	143-145 Birkenhead Road	Wirral	Meols	Merseyside	CH47 6AA	FH	
7935	Red Lion	41 The Green	High Wycombe	Wooburn Green	Buckinghamshire	HP10 0EU	FH	
7937	Red Rover	Salisbury Road	Romsey	West Wellow	Hampshire	SO51 6BW	FH	
7938	Richmond Arms	153 Charninster Road		Bournemouth	Dorset	BH8 8UH	FH	
7941	Rising Sun	74 Shore Road	Southampton	Warsash	Hampshire	SO31 9FT	FH	Y
7942	Robert De Mortain	371-373 The Ridge		Hastings	East Sussex	TN34 2RD	FH	
7945	Romiley Arms	Compstall Road	Stockport	Romiley	Greater Manchester	SK6 4BN	FH	Y
1620	Rose & Crown	Turkey Road		Bexhill-On-Sea	East Sussex	TN39 5HH	FH	
7946	Rose & Crown	2-6 Cockey Moor Road		Bury	Greater Manchester	BL8 2HB	FH	
6090	Rose & Thistle	43 Argyle Road		Reading	Berkshire	RG1 7YL	FH	
6504	Royal Hotel	Royal Parade		Ross-on-Wye	Herefordshire	HR9 5HZ	FH	Y
6068	Royal Oak	111 High Street		Marlborough	Wiltshire	SN8 1LT	FH	
7954	Royal Oak	Hucclecote Road		Gloucester	Gloucestershire	GL3 3TW	FH	
1950	Scarborough	Market Lane	Scarborough	Eastfield	North Yorkshire	YO11 3YN	FH	
7963	Sefton Arms	1 Mill Lane	Liverpool	West Derby	Merseyside	L12 7HX	FH	
4869	Seven Wells	Heage Lane		Etwall	Derbyshire	DE65 6LS	FH	
7965	Shakey	196 Bradfield Road		Sheffield	South Yorkshire	S6 2BY	FH	
4870	Sherwood Manor	Mansfield Road		Nottingham	Nottinghamshire	NG5 2FX	FH	Y
1955	Ship Inn	Steanard Lane	Mirfield	Shepley Bridge	West Yorkshire	WF14 8HB	FH	Y
3854	Smiddy Bar	309 Dumbarton Road		Glasgow	Lanarkshire	G11 6AL	FH	
5294	Sportsman	201 Shinfield Road		Reading	Berkshire	RG2 7DS	FH	
7979	Spyglass & Kettle	2 Woodside		Gillingham	Kent	ME8 0PG	FH	Y
7735	Surrey Yeoman	220-222 High Street		Dorking	Surrey	RH4 1QR	FH	
7992	Swan	3 Kiln Road	Basingstoke	Sherbourne St John	Hampshire	RG24 9HS	FH	
5298	Tandem	193 Kennington Road		Kennington	Oxfordshire	OX1 5PG	FH	
7823	Tavern	228-230 Linthorpe Road		Middlesborough	Cleveland	TS1 3QW	FH	
1967	Three Elms	Merthyr Road	Cardiff	Whitchurch	Glamorgan	CF14 1JE	FH	
7998	Travellers Rest	49 Hill Top Road		Leeds	West Yorkshire	LS12 3PY	FH	
8002	Tredegar Arms	4 Caerphilly Road	Newport	Bassaleg	Gwent	NP10 8LE	FH	
8007	Two Brewers	Thornwell Road		Chepstow	Gwent	NP16 5NS	FH	
8009	Uplands Tavern	42 Uplands Crescent	Swansea	Uplands	West Glamorgan	SA2 0PG	FH	
8011	Victoria	Oxford Street		Barrow-In-Furness	Cumbria	LA14 5QL	FH	
6098	Vintners Parrot	10-12 Warwick Street		Worthing	West Sussex	BN11 3DL	FH	Y
8016	Washington	Topping Street		Blackpool	Lancashire	FY1 3AF	FH	
8017	Waterside	Ferry Road		Shoreham-By-Sea	West Sussex	BN43 5RA	FH	Y
8019	Wellington	338 Bolton Road		Bury	Greater Manchester	BL8 2PP	FH	
8021	Wellow	Kings Road		Cleethorpes	North East	DN35 0AQ	FH	
					Lincolnshire			
5300	Wheatpieces	2 Clifford Avenue	Tewkesbury	Walton Cardiff	Gloucestershire	GL20 7RW	FH	
1624	Wheatsheaf	Herne Bay Road		Whitstable	Kent	CT5 2LU	FH	Y
6104	White Barn	Forest Road	Northwich	Cuddington	Cheshire	CW8 2LD	FH	
8028	White Hart	195 Stoke Road		Gosport	Hampshire	PO12 1SE	FH	
5307	White Horse	189 Ock Street		Abingdon	Oxfordshire	OX14 5DW	FH	Y
8036	William Camden	Avenue Road		Bexleyheath	Kent	DA7 4EQ	FH	
4925	Ye Olde Trip to Jerusalem	1 Brewhouse Yard		Nottingham	Nottinghamshire	NG1 6AD	FH	
7888	Orange Grove	304 Wilmslow Road		Manchester	Greater Manchester	M14 6NL	FH/LLH	
5223	Cotton Wheel	Jackson Road		Aylesbury	Buckinghamshire	HP19 9BF	LLH	Y
7699	Crescent	St Annes Road West		Lytham St Annes	Lancashire	FY8 1SB	LLH	
7715	Devonshire Arms	405 Herries Road		Sheffield	South Yorkshire	S5 7HE	LLH	
7723	Earl of Cornwall	Cippenham Lane		Slough	Berkshire	SL1 2XN	LLH	
1453	Farmhouse	St Isidores Road	Kesgrave	Grange Farm	Suffolk	IP5 2GA	LLH	
5251	Messenger	5 Covingham Square		Swindon	Wiltshire	SN3 5AA	LLH	
3795	Millcroft	24 Mill Street	Glasgow	Rutherglen	Lanarkshire	G73 2NA	LLH	
7976	Old Salt Quay	163 Rotherhithe Street		Rotherhithe	Greater London	SE16 5OU	LLH	Y
5106	Woodman	Thorpe Wood		Peterborough	Cambridgeshire	PE3 6SQ	LLH	
7697	Crane	Denys Drive		Basilidon	Essex	SS14 3LP	SLH	
9180	Grosvenor Hotel	High Street		Stockbridge	Hampshire	SO20 6EU	SLH	

<b>Freehold and Feuhold/Heritable</b>	<b>160</b>
<b>Mixed Tenure</b>	<b>1</b>
<b>Long Leasehold</b>	<b>9</b>
<b>Short Leasehold</b>	<b>2</b>
<b>Total Properties</b>	<b>172</b>
<b>Sample Properties</b>	<b>41</b>

**Appendix 2  
Tenanted and Leased Estate  
Portfolio 4**

House No	House Name	Address	Postal Town	City/Town	County	Post Code	Tenure	Sample Property
1289	Acre	9 Acre Road		March	Cambridgeshire	PE15 9JD	FH	
6601	Admiral Benbow	44 High Street	Abingdon	Milton	Oxfordshire	OX14 4EJ	FH	
6038	Albion	45 Fairfield Road		Kingston-Upon-Thames	Surrey	KT1 2PY	FH	
1365	Albion	93 Castle Street		Thetford	Norfolk	IP24 2DN	FH	
5351	Albion Tavern	2 Hale Road		Farnham	Surrey	GU9 9QH	FH	
1096	Alexandra Arms	22 Gwydir Street		Cambridge	Cambridgeshire	CB1 2LL	FH	Y
8141	Alliance	40 Mill Lane	London	West Hampstead	GreaterLondon	NW6 1NR	FH	
1056	Anchor	63 North Street	Cambridge	Burwell	Cambridgeshire	CB5 0BA	FH	Y
6402	Anchor		Dulverton	Exebridge	Somerset	TA22 9AZ	FH	
5355	Anchor	1 High Street	Faringdon	Stanford-In-The-Vale	Oxfordshire	SN7 8LH	FH	
4154	Anchor	84 Cambridge Road	Hitchin	Walsworth	Hertfordshire	SG4 0JH	FH	
1444	Anchor	19 Quay Street		Woodbridge	Suffolk	IP12 1BX	FH	Y
2935	Anchor Hotel	John Martin Street	Hexham	Haydon Bridge	Northumberland	NE47 6AB	FH	Y
1351	Angel	43 Friars Street		Sudbury	Suffolk	CO10 2AG	FH	
8601	Angel Inn	95 High Street		Andover	Hampshire	SP10 1ND	FH	
1505	Apple Tree	45 Mount Pleasant	London	Clerkenwell	GreaterLondon	WC1X 0AE	FH	
4501	Archers	Havers Lane		Bishops Stortford	Hertfordshire	CM23 3PD	FH	
5222	Argyll	15 Market Place		Henley-On-Thames	Oxfordshire	RG9 2AA	FH	
1401	Ash		Stansted	Burton End	Essex	CM24 8UQ	FH	
7620	Avenue	16 Bidston Avenue		Birkenhead	Merseyside	CH41 0BR	FH	
4233	Axe	60 Ashdon Road		Saffron Walden	Essex	CB10 2AT	FH	
4512	Axe & Compasses		Saffron Walden	Arkesden	Essex	CB11 4EX	FH	
8668	Bald Faced Stag	36 Edward Road		Southampton	Hampshire	SO15 3GZ	FH	
7901	Bar 62	62 Town Street	Leeds	Horsforth	WestYorkshire	LS18 4AP	FH	
4238	Barley Mow	27 Crosshall Road	St Neots	Eaton Ford	Cambridgeshire	PE19 7AB	FH	
4153	Barley Mow	7 High Street	Cambridge	Histon	Cambridgeshire	CB4 9JD	FH	
6604	Bear & Ragged Staff	28 Appleton Road	Oxford	Cumnor	Oxfordshire	OX2 9QH	FH	
2470	Beehive	57 Cannerby Lane		Norwich	Norfolk	NR7 8NF	FH	
6605	Beehive	55 Prospect Hill		Swindon	Wiltshire	SN1 3JS	FH	
7631	Bell	Ware Street	Maidstone	Bearsted	Kent	ME14 4PA	FH	Y
1441	Bell	16 High Street	Cambridge	Bottisham	Cambridgeshire	CB5 9DA	FH	
5365	Bell	21 Standlake Road	Witney	Ducklington	Oxfordshire	OX29 7UP	FH	Y
5368	Bell	Three Elm Lane	Tonbridge	Golden Green	Kent	TN11 0BD	FH	
5366	Bell	High Street	Sevenoaks	Kemsing	Kent	TN15 6NB	FH	
6606	Bell	115 Main Road	Witney	Long Hanborough	Oxfordshire	OX29 8JX	FH	
8207	Bell	Kynaston Road	Braintree	Panfield	Essex	CM7 5AQ	FH	Y
3542	Bell	21 Bell Street		Reigate	Surrey	RH2 7AD	FH	
4248	Bell	1 Station Road		Sandy	Bedfordshire	SG19 1AW	FH	
5369	Bell	38 Market Place		Wantage	Oxfordshire	OX12 8AH	FH	
4308	Bell	High Street	Bedford	Westoning	Bedfordshire	MK45 5JH	FH	Y
6412	Bell House Hotel	High Street	Chippenham	Sutton Benger	Wiltshire	SN15 4RH	FH	
6607	Berkshire House	200 Abingdon Road		Oxford	Oxfordshire	OX1 4RA	FH	
7636	Billet	206 London Road		Sittingbourne	Kent	ME10 1QA	FH	
1420	Bird Cage	23 Pottergate		Norwich	Norfolk	NR2 1DS	FH	
8208	Bird in Hand	New Writtle Street		Chelmsford	Essex	CM2 0RZ	FH	
4148	Bird in Hand	Bedford Road	Henlow	Lower Stondon	Bedfordshire	SG16 6DZ	FH	
8209	Black Bull	Main Road	Ingatstone	Margaretting	Essex	CM4 9JA	FH	
2941	Black Bull	East Witton Road	Leyburn	Middleham	NorthYorkshire	DL8 4NX	FH	
2942	Black Bull	Main Street	Hexham	Wark	Northumberland	NE48 3LG	FH	Y
4311	Black Bull	1 Station Road	Cambridge	Willingham	Cambridgeshire	CB4 5HF	FH	
2792	Black Horse	Windmill Road	Slough	Fulmer	Buckinghamshire	SL3 6HD	FH	
4198	Black Horse	1 Snow Hill	Bedford	Maulden	Bedfordshire	MK45 2BP	FH	
4604	Black Horse	65 Blackhorse Lane	Potters Bar	South Mimms	Hertfordshire	EN6 3PS	FH	
8210	Black Horse	Chelmsford Road	Dunmow	White Roding	Essex	CM6 1RF	FH	
8211	Black Lion	3 The Street	Dunmow	High Roding	Essex	CM6 1NT	FH	
4639	Black Swan	Bowns Hill	Matlock	Crich	Derbyshire	DE4 5DG	FH	
4641	Black Swan Inn	High Street		Edwinstowe	Nottinghamshire	NG21 9QR	FH	
4642	Blacks Head	1 Market Place	Matlock	Wirksworth	Derbyshire	DE4 4ET	FH	Y
7506	Blenheim Arms	7 Manor Green Road		Epsom	Surrey	KT19 8RA	FH	
1454	Blue Anchor	Grange Road	Sevenoaks	Platt	Kent	TN15 8ND	FH	
2944	Blue Bell	High Street	Stockton-on-Tees	Bishopton	Durham	TS21 1EZ	FH	
4644	Blue Bell Inn	Buxton Road	Ashbourne	Tissington	Derbyshire	DE6 1NH	FH	
0153	Blue Pig	Hall Road	Hinkley	Wolvey	Leicestershire	LE10 3LG	FH	
4231	Boars Head	35 Market Hill		Royston	Hertfordshire	SG8 9JU	FH	Y
4645	Boat House Hotel		Ashbourne	Matlock	Derbyshire	DE4 3PP	FH	Y
4646	Boat Inn	97 Main Street		Retford	Nottinghamshire	DN22 9LF	FH	
5378	Bramshill Hunt	27 Bramshill Close	Reading	Arborfield	Berkshire	RG2 9PL	FH	Y
5236	Breakspear Arms	Breakspear Road South	Uxbridge	Harefield	Middlesex	UB9 6LT	FH	
1904	Brewers Arms	Gardner Street	Halsham	Herstmonceux	EastSussex	BN27 4LB	FH	
3511	Brewers Arms	18-20 Orford Street		Ipswich	Suffolk	IP1 3NS	FH	Y
4504	Brewery Tap	Barleycroft End	Buntingford	Furneux Pelham	Hertfordshire	SG9 0LL	FH	
8676	Bridge	109 Priory Road		Southampton	Hampshire	SO17 2JS	FH	
4650	Bridge Inn	Bridge Street		Ilkeston	Derbyshire	DE7 8RD	FH	
1148	Britannia	42 Meryick Crescent		Colchester	Essex	CO2 7QY	FH	
4652	Britannia Inn	37 London Road	Derby	Kegworth	Derbyshire	DE74 2EU	FH	
5382	Broad Face	30-32 Bridge Street		Abingdon	Oxfordshire	OX14 3HR	FH	

4656	Bromley Arms	Main Street	Southwell	Fiskerton	Nottinghamshire	NG25 OUL	FH	
1099	Brook	25 Brookfields, Mill Road		Cambridge	Cambridgeshire	CB1 3NW	FH	Y
4083	Brown Bear	14 The Street	Ware	Braughing	Hertfordshire	SG11 2OF	FH	
7658	Brunswick	71 Nantwich Road		Crewe	Cheshire	CW2 6AW	FH	
1055	Bull	Bradley Road	Newmarket	Burrough Green	Suffolk	CB8 9NH	FH	
6615	Bull	The Green	Oxford	Great Milton	Oxfordshire	OX44 7NS	FH	
6616	Bull	Bicester Road	Bicester	Launton	Oxfordshire	OX26 5DO	FH	
4240	Bulls Head	96 Cambridge Street		St Neots	Cambridgeshire	PE19 1PJ	FH	
7661	Bulls Head	12 High Street	Manchester	Worsley	GreaterManchester	M28 3NJ	FH	
1196	Bunbury Arms	Ixworth Road	Bury St Edmunds	Great Barton	Suffolk	IP31 2NX	FH	
8213	Buregate	Sea Road		Felixstowe	Suffolk	IP11 2DD	FH	
1061	Bushel	St Johns Street		Bury St Edmunds	Suffolk	IP33 1SN	FH	
0772	Butchers Hook	477 Fulham Road	London	Fulham	GreaterLondon	SW6 1HL	FH	
1245	Cadogan Arms	The Street	Bury St Edmunds	Ingham	Suffolk	IP31 1NG	FH	Y
4662	Canal Inn	Bull Bridge	Belper	Bullbridge, Ambergate	Derbyshire	DE56 2EW	FH	
7666	Canterbury	Ashchurch Road		Tewkesbury	Gloucestershire	GL20 8BT	FH	
2948	Carpenters Arms	56 Southgate	York	Market Weighton	NorthYorkshire	YO43 3BQ	FH	
1163	Castle	77 High Street	Colchester	Earls Colne	Essex	CO6 2QX	FH	
8126	Castle	452 Finchley Road	London	Finchley	GreaterLondon	NW11 8DG	FH	
3546	Castle	87 St Johns Hill		Sevenoaks	Kent	TN13 3PE	FH	Y
8215	Chequers	Braintree Road	Dunmow	Felsted	Essex	CM6 3DL	FH	Y
1188	Chequers	The Green	Newmarket	Gazeley	Suffolk	CB8 8RF	FH	
1455	Chequers	The Street	Sevenoaks	Ightham	Kent	TN15 9HH	FH	
4322	Chequers	43 High Street	Sandy	Wrestlingworth	Bedfordshire	SG19 2EP	FH	Y
4668	Cherry Tree	Skegness Road	Skegness	Ingoldmells	Lincolnshire	PE25 1JP	FH	Y
5392	Cherry Tree	Cherry Tree Road	Farnham	Rowledge	Surrey	GU10 4AB	FH	
4671	Church Inn	Church Road	Matlock	Darley Dale	Derbyshire	DE4 2GG	FH	
5407	Cinnamon Tree	Maidens Green	Windsor	Winkfield	Berkshire	SL4 4SJ	FH	Y
3068	Cinque Ports Arms	1 High Street		New Romney	Kent	TN28 8BU	FH	
1517	Clock House	82 Leather Lane	London	Clerkenwell	GreaterLondon	EC1N 7TR	FH	
1421	Coach & Horses	51 Bethel Street		Norwich	Norfolk	NR2 1NR	FH	
1285	Coachmakers Arms	13 Station Road		March	Cambridgeshire	PE15 8LB	FH	Y
3530	Cock		Sevenoaks	Ide Hill	Kent	TN14 6JN	FH	
5395	Cock	108 Shaw Road		Newbury	Berkshire	RG14 1HR	FH	Y
8217	Cock	The Street	Braintree	Rayne	Essex	CM77 6RT	FH	Y
4519	Cock	30 Silver Street		Stansted	Essex	CM24 8HD	FH	Y
4674	Commercial Inn	19 Wollaton Road	Nottingham	Beeston	Nottinghamshire	NG9 2NG	FH	
4334	Compton Arms	Compton Avenue	London	Islington	GreaterLondon	N1 2XD	FH	Y
5598	Compton Swan	High Street	Newbury	Compton	Berkshire	RG20 6NJ	FH	Y
1102	Corner House	231 Newmarket Road		Cambridge	Cambridgeshire	CB5 8JE	FH	
6433	Cott	Cott Lane	Totnes	Dartington	Devon	TQ9 6HE	FH	
2949	Countryman	Park Lane	Nottingham	Kirby-in-Ashfield	Nottinghamshire	NG17 9LE	FH	
1103	Cricketers	18 Melbourne Place		Cambridge	Cambridgeshire	CB1 1EQ	FH	
1179	Cricketers	Spring Lane	Colchester	Fordham Heath	Essex	CO3 9TG	FH	
1614	Cricketers	Cricketers Lane	Bracknell	Warfield	Berkshire	RG42 6JT	FH	
6623	Cricketers Arms	102 Temple Road		Oxford	Oxfordshire	OX4 2EZ	FH	
8685	Crooked Billet	2 West Brook End	Milton Keynes	Newton Longville	Buckinghamshire	MK17 0DF	FH	
2950	Crosshill Hotel	1-2 The Square	Stockton-on-Tees	Sedgefield	Durham	TS21 2AB	FH	
1255	Crossways	South Everard Street		Kings Lynn	Norfolk	PE30 5HJ	FH	
3505	Crown	High Street	Sudbury	Acton	Suffolk	CO10 0AT	FH	
1004	Crown	24 Newmarket Road	Newmarket	Ashley	Suffolk	CB8 9DR	FH	Y
5409	Crown	52 High Street	Wallingford	Benson	Oxfordshire	OX10 6RP	FH	
4066	Crown	23 High Street		Biggleswade	Bedfordshire	SG18 0JE	FH	
1057	Crown	88 High Street	Cambridge	Burwell	Cambridgeshire	CB5 0HD	FH	
5411	Crown	96 High Street	Oxford	Chalgrove	Oxfordshire	OX44 7SS	FH	
1178	Crown	14 Church Street	Ely	Fordham	Cambridgeshire	CB7 5NJ	FH	
1189	Crown	Lynn Road	Kings Lynn	Gayton	Norfolk	PE32 1PA	FH	
1217	Crown	The Green	Bury St Edmunds	Hartest	Suffolk	IP29 4DH	FH	
4183	Crown	Church Street	Royston	Litlington	Hertfordshire	SG8 0QB	FH	
1284	Crown	51-53 High Street	Colchester	Manningtree	Essex	CO11 1AH	FH	
4206	Crown	2 Ickwell Road	Biggleswade	Northill	Bedfordshire	SG18 9AA	FH	Y
1394	Crown	Main Road	Colchester	Wormingford	Essex	CO6 3AB	FH	
4681	Crown & Anchor	Exchange Row		Mansfield	Nottinghamshire	NG18 1JU	FH	
1386	Crown & Anchor	16 Lynn Road	Kings Lynn	St Germans	Norfolk	PE34 3EY	FH	
8614	Crown & Anchor	168 High Street		Winchester	Hampshire	SO23 9BA	FH	
1318	Crown & Castle	South Street	Bury St Edmunds	Risby	Suffolk	IP28 6QU	FH	
5587	Culvert	Cowley Mill Road		Uxbridge	Middlesex	UB8 2UZ	FH	Y
2951	Dalesman	96-100 Victoria Road		Darlington	Durham	DL1 5JW	FH	
1909	Dew Drop	37-39 South Street		Eastbourne	EastSussex	BN21 4UP	FH	Y
4508	Dog & Duck	58 Lower Street		Stansted	Essex	CM24 8LR	FH	
8224	Dolphin	Coggeshall Road, Stisted	Braintree	Bradwell	Essex	CM77 8EU	FH	Y
1536	Dolphin	56 Totteridge Lane		High Wycombe	Buckinghamshire	HP13 7PZ	FH	
5419	Dolphin	2 St Marys Street		Wallingford	Oxfordshire	OX10 0EL	FH	
1066	Dove	68 Hospital Road		Bury St Edmunds	Suffolk	IP33 3JU	FH	
2472	Drum	Stone Street	Ashford	Stanford	Kent	TN25 6DN	FH	
4692	Duke Of Clarence	87 Mansfield Road		Derby	Derbyshire	DE1 3QZ	FH	
4617	Duke of Edinburgh	76 St Clements Street		Oxford	Oxfordshire	OX4 1AH	FH	
1043	Duke of Wellington	35 Thetford Road		Brandon	Suffolk	IP27 0BZ	FH	
4694	Duke Of Wellington	115 Wellington Street		Matlock	Derbyshire	DE4 3GX	FH	
4312	Duke of Wellington	55 Church Street	Cambridge	Willingham	Cambridgeshire	CB4 5HS	FH	
1009	Dun Cow	Up Street	Bury St Edmunds	Bardwell	Suffolk	IP31 1AA	FH	
4299	Duncombe Arms	Ellisley Road	Sandy	Waresley	Bedfordshire	SG19 3BS	FH	
6054	Eagle & Hind	Gloucester Avenue		Chelmsford	Essex	CM2 9LG	FH	
1913	Eagle Bar & Bakery	125 Gloucester Road		Brighton	EastSussex	BN1 4AF	FH	

4000	Eight Bells	High Street	St Neots	Abbotsley	Cambridgeshire	PE19 6UJ	FH	
1537	Eight Bells	78 Kingston Road	Epsom	Ewell	Surrey	KT17 2DU	FH	
5425	Elephant & Castle	Lodge Road	Reading	Whistley Green	Berkshire	RG10 0EH	FH	
7755	Elm Tree	64-65 Victoria Road		Surbiton	Surrey	KT6 4NQ	FH	
5602	Emmbrook Inn	Emmbrook Road		Wokingham	Berkshire	RG41 1HG	FH	
7725	End	2 Wyeverne Road		Cardiff	SouthGlamorgan	CF24 4BH	FH	Y
4018	Engine	3 Station Road		Baldock	Hertfordshire	SG7 5BS	FH	
1184	Essex Skipper	Rochford Way		Frinton On Sea	Essex	CO13 0AZ	FH	
1591	Falcon	341 Kilburn Lane	London	Kilburn	GreaterLondon	W9 3EG	FH	
8227	Falcon	45 Marine Parade		Southend-On-Sea	Essex	SS1 2EN	FH	
1912	Farm Tavern	13 Farm Road		Hove	EastSussex	BN3 1FB	FH	
4697	Farm Yard Inn	Main Street	Bakewell	Youlgrave	Derbyshire	DE44 1UE	FH	
2851	Farmers Boy	Harrow Lane		Maidenhead	Berkshire	SL6 7PE	FH	Y
5480	Fat Fiddler	7 Station Road		Ashford	Kent	TN23 1EY	FH	
5428	Fifield	Fifield Road	Maidenhead	Fifield	Berkshire	SL6 2NX	FH	
6671	Fir Tree	163 Ifley Road		Oxford	Oxfordshire	OX4 1EJ	FH	
5429	Fish	4 Appleford Road	Abingdon	Sutton Courtenay	Oxfordshire	OX14 4NQ	FH	
6636	Fishes		Oxford	North Hinksey Village	Oxfordshire	OX2 0NA	FH	
1199	Five Bells	63 Bures Road	Sudbury	Great Comard	Suffolk	CO10 0HU	FH	
1233	Five Bells	The Street	Bury St Edmunds	Hesselt	Suffolk	IP30 9AX	FH	Y
4229	Five Bells	38 High Street	Bedford	Riseley	Bedfordshire	MK44 1DX	FH	Y
4698	Fleece Inn	Market Place	Skegness	Burgh Le Marsh	Lincolnshire	PE24 5JW	FH	
1456	Fleur De Lis	High Street	Tonbridge	Leigh	Kent	TN11 8RL	FH	
7770	Fleur De Lys	Lapworth Street	Henley-In-Arden	Lowsonford	Warwickshire	B95 5HJ	FH	
6638	Flowing Well	76-78 Broughton Road		Banbury	Oxfordshire	OX16 9OF	FH	
5434	Flowing Well		Abingdon	Sunningwell	Oxfordshire	OX13 6RB	FH	
4699	Flying Bedstead	Watnall Road	Nottingham	Hucknall	Nottinghamshire	NG15 7NJ	FH	
8694	Foresters Arms	2 London Street		Andover	Hampshire	SP10 2PA	FH	Y
6921	Forge	The Pantiles		Billericay	Essex	CM12 0UL	FH	
1106	Fort St George	Midsummer Common		Cambridge	Cambridgeshire	CB4 1HA	FH	
8698	Fox	Fox Lane	Alresford	Bramdean	Hampshire	SO24 0LP	FH	
5438	Fox	141 Chapel Lane		Farnborough	Hampshire	GU14 9BN	FH	
4702	Fox	Main Street	Newark	Kirton	Nottinghamshire	NG22 9LP	FH	
5440	Fox	29 High Street	Abingdon	Steventon	Oxfordshire	OX13 6RZ	FH	Y
4087	Fox & Duck	23 Church Street		Buntingford	Hertfordshire	SG9 9AS	FH	
4320	Fox & Duck	13 Bedford Road	Bedford	Wootton	Bedfordshire	MK43 9JT	FH	
1491	Fox & Hounds	1 London Road		Croydon	Surrey	CR0 2RE	FH	
3554	Fox & Hounds	Tilburstow Hill Road	Godstone	South Godstone	Surrey	RH9 8LY	FH	
1512	Fox & Pheasant	1 Billing Road	London	Chelsea	GreaterLondon	SW10 9UJ	FH	
4705	French Horn	Market Place	Ripley	Codnor	Derbyshire	DE5 9QA	FH	
5442	Frog & Rhubarb	30 Church Road	Luton	Slip End	Bedfordshire	LU1 4BJ	FH	
3517	Garden Gate	Church Lane East		Aldershot	Hampshire	GU11 3BT	FH	
4068	Gardeners Arms	37 Potton Road		Biggleswade	Bedfordshire	SG18 0DX	FH	Y
5443	Gardeners Arms	48 Surley Row	Reading	Emmer Green	Berkshire	RG4 8NA	FH	
6646	Gardeners Arms	8 North Parade Avenue		Oxford	Oxfordshire	OX2 6LX	FH	Y
1370	Gardeners Arms	Church Road	Bury St Edmunds	Tostock	Suffolk	IP30 9PA	FH	Y
4141	Gate	Old Harrowden Road	Bedford	Harrowden	Bedfordshire	MK42 0TB	FH	
4235	Gate	74 Thaxted Road		Saffron Walden	Essex	CB11 3AG	FH	
2477	George	High Street	Polegate	Alfriston	EastSussex	BN26 5SY	FH	
6649	George	1 West Way		Oxford	Oxfordshire	OX2 0JB	FH	
6456	George	Market Place		Castle Cary	Somerset	BA7 7AH	FH	
1209	George	52 High Street	Ipswich	Hadleigh	Suffolk	IP7 5AL	FH	
6207	George	High Street	Bristol	Shirehampton	Gloucestershire	BS11 0DP	FH	Y
5446	George	244 Staines Road East		Sunbury-On-Thames	Middlesex	TW16 5AX	FH	
8230	George	36 Newland Street		Witham	Essex	CM8 2AQ	FH	
4131	George & Dragon	19 High Street	Hitchin	Graveley	Hertfordshire	SG4 7LE	FH	
5445	George & Dragon	Reading Road	Didcot	Upton	Oxfordshire	OX11 9JJ	FH	
1140	Globe	10 Callis Street	Sudbury	Clare	Suffolk	CO10 8PX	FH	
8622	Globe Inn	23 High Street		Andover	Hampshire	SP10 1LJ	FH	
8702	Goat	Vicarage Causeway	Hertford	Hertford Heath	Hertfordshire	SG13 7RT	FH	
3508	Goat & Boot	70 East Hill		Colchester	Essex	CO1 2QW	FH	Y
4715	Golden Guinea	Maws Lane	Nottingham	Kimberley	Nottinghamshire	NG16 2JE	FH	
3513	Golden Key	438 Woodbridge Road		Ipswich	Suffolk	IP4 4EN	FH	
4097	Golden Lion	22 Church Street	Shefford	Clifton	Bedfordshire	SG17 5ES	FH	
2953	Golden Lion	69-70 Allhallowgate		Ripon	NorthYorkshire	HG4 1LE	FH	
0158	Golden Lion	19 Sheep Street		Wellingborough	Northamptonshire	NN8 1BL	FH	
6651	Goldfinger Tavern	Newburgh Place	Swindon	Highworth	Wiltshire	SN6 7DN	FH	
5451	Gordon Arms	Gordon Road		High Wycombe	Buckinghamshire	HP13 6EP	FH	Y
5253	Grapes	28 High Street		Abingdon	Oxfordshire	OX14 5AX	FH	
8703	Grapes	36 Market Square		Aylesbury	Buckinghamshire	HP20 1TW	FH	Y
4721	Great Northern Inn	Ossington Road	Newark	Carlton on Trent	Nottinghamshire	NG23 6NT	FH	
1193	Green Man	The Street	Halstead	Gosfield	Essex	CO9 1TP	FH	
4326	Green Man	Arch Road	Hitchin	Great Wymondley	Hertfordshire	SG4 7EU	FH	
1617	Green Man	Lewes Road		Ringmer	EastSussex	BN8 5NA	FH	
8625	Green Man	53 Southgate Street		Winchester	Hampshire	SO23 9EH	FH	
6092	Greene Oak	Dedworth Road		Windsor	Berkshire	SL4 5UW	FH	
1385	Greyhound	Meeting Green	Newmarket	Wickhambrook	Suffolk	CB8 8XS	FH	
4289	Griffin	2 Station Road	Dunstable	Toddington	Bedfordshire	LU5 6BN	FH	
4723	Griffin Inn	Main Road		Plumtree	Nottinghamshire	NG12 5NB	FH	
1124	Grove	Arbury Court		Cambridge	Cambridgeshire	CB4 2JQ	FH	
7802	Gupshill Manor	Goucester Road		Tewkesbury	Gloucestershire	GL20 5SG	FH	
4726	Half Crown	Nottingham Road		Long Eaton	Nottinghamshire	NG10 2BZ	FH	
1260	Half Moon	4 High Street	Bury St Edmunds	Lakenheath	Suffolk	IP27 9JX	FH	
4618	Half Moon	17 St Clements Street		Oxford	Oxfordshire	OX4 1AB	FH	

8687	Half Moon & Spread Eagle	Winchester Road	Winchester	Micheldever	Hampshire	SO21 3DG	FH	
7804	Halfway Inn	114 Winchester Road	Eastleigh	Chandlers Ford	Hampshire	SO53 2GJ	FH	
4727	Happy Man	87 Hickings Lane		Stapleford	Nottinghamshire	NG9 8PB	FH	
5459	Hare	Reading Road	Wantage	West Hendred	Oxfordshire	OX12 8RH	FH	
6462	Hare & Hounds		Leighton Buzzard	Ledburn	Bedfordshire	LU7 0OB	FH	
5458	Hare & Hounds	The Square	Farnham	Rowledge	Surrey	GU10 4AA	FH	
4728	Hare & Hounds	Church Street		Warsop	Nottinghamshire	NG20 OAO	FH	
1338	Hare Arms	Lynn Road	Kings Lynn	Stow Bardolph	Norfolk	PE34 3HT	FH	
5460	Harrow	142 Charlton Road		Shepperton	Middlesex	TW17 0RJ	FH	
5461	Harrow		Newbury	West Ilsley	Berkshire	RG20 7AR	FH	
1611	Hawley Arms	2 Castlehaven Road	London	Camden Lock	GreaterLondon	NW1 8QU	FH	Y
4731	Hay Nook	Yarwell Drive	Rotherham	Maltby	SouthYorkshire	S66 8HZ	FH	Y
6465	Heathfield	Walnut Road		Honiton	Devon	EX14 2UG	FH	
4022	Hen & Chickens	51 South Road		Baldock	Hertfordshire	SG7 6BZ	FH	
4327	Hermit of Redcoats	Redcoats Green	Hitchin	Little Wymondley	Hertfordshire	SG4 7JR	FH	
4733	Hill Top Inn	178 Belper Lane		Belper	Derbyshire	DE56 2UJ	FH	
5464	Hoddington Arms	Bidden Road	Basingstoke	Upton Grey	Hampshire	RG25 2RL	FH	
7816	Hole In The Wall	1 St Martins Street		Chichester	WestSussex	PO19 1NP	FH	Y
5465	Holly Bush	Shortfield Common	Farnham	Frensham	Surrey	GU10 3BJ	FH	Y
5466	Holly Bush	35 Corn Street		Witney	Oxfordshire	OX28 6BT	FH	Y
4104	Hop Bind	212 High Street	Cambridge	Cottenham	Cambridgeshire	CB4 8RZ	FH	
4069	Hopbine	21 Drove Road		Biggleswade	Bedfordshire	SG18 8HD	FH	
5467	Hope	53 Hithermoor Road		Staines	Middlesex	TW19 6AR	FH	
8127	Hope & Anchor	126 Tottenham Lane	London	Hornsey	GreaterLondon	N8 7EL	FH	
3502	Horse & Groom	20 Rayne Road		Braintree	Essex	CM7 2QA	FH	
4095	Horse & Groom	15 High Street	Bedford	Clapham	Bedfordshire	MK41 6EQ	FH	
5469	Horse & Groom	40 New Street		Henley-On-Thames	Oxfordshire	RG9 2BT	FH	
5471	Horse & Harrow	Main Street	Didcot	West Hagbourne	Oxfordshire	OX11 0NB	FH	
5474	Horseshoe	Bridge Street		Bampton	Oxfordshire	OX18 2HA	FH	Y
8707	Huntsman	Goose Green		Hoddesdon	Hertfordshire	EN11 8SN	FH	
6040	Hurlingham	Wandsworth Bridge Road	London	Fulham	GreaterLondon	SW6 2TA	FH	Y
6639	Iron Horse	Kerrs Way	Swindon	Wroughton	Wiltshire	SN4 9EJ	FH	
5476	Jack in the Bush	111 Elson Road		Gosport	Hampshire	PO12 4AA	FH	
5477	Jack Russell	21 Salford Road	Oxford	Marston	Oxfordshire	OX3 0RX	FH	
5258	James Street Tavern	47-48 James Street		Oxford	Oxfordshire	OX4 1EU	FH	
2956	Jenny Wren	Main Street	Goole	Beal	NorthYorkshire	DN14 0SS	FH	
1111	Jenny Wren	St Kilda Avenue		Cambridge	Cambridgeshire	CB4 2QA	FH	Y
1445	John Bull	482 Woodbridge Road		Ipswich	Suffolk	IP4 4PS	FH	
7829	Jolly Anglers	33 Station Road		Wood Green	GreaterLondon	N22 6UX	FH	
6655	Jolly Boatman	216 Banbury Road	Kidlington	Thrupp	Oxfordshire	OX5 1JU	FH	
5478	Jolly Farmer	Davis Street	Reading	Hurst	Berkshire	RG10 0TH	FH	
8627	Jolly Miller	96 Miller Drive		Fareham	Hampshire	PO16 7LN	FH	
8260	Judge Tindal's	6 Tindal Street		Chelmsford	Essex	CM1 1ER	FH	
4743	Jug & Glass Inn	Queens Walk	Mansfield	Nether Langwith	Nottinghamshire	NG20 9EW	FH	
7958	Junction	1-6 Salisbury House - Alcester Road	Birmingham	Moseley	WestMidlands	B13 8JE	FH	
8629	Junction	24 Priory Road		Southampton	Hampshire	SO17 2JZ	FH	
1918	Junction Tavern	99 Station Road		Polegate	EastSussex	BN26 6EB	FH	
8234	Kicking Dickey	Ongar Road		Dunmow	Essex	CM6 1ES	FH	Y
5482	Killingworth Castle	Grympton Road	Woodstock	Wootton	Oxfordshire	OX20 1EJ	FH	
5483	King Charles Tavern	54 Cheap Street		Newbury	Berkshire	RG14 5BX	FH	
7833	King William IV	82 London Road	Radlett	Shenley	Hertfordshire	WD7 9DX	FH	Y
1526	Kings Arms	251 Tooley Street	London	Bermondsey	GreaterLondon	SE1 2JX	FH	Y
1077	Kings Arms	23 Brentgovel Street		Bury St Edmunds	Suffolk	IP33 1EB	FH	
4253	Kings Arms	27 London Road		Sandy	Bedfordshire	SG19 1HA	FH	
6470	Kings Arms	The Square		Stow-On-The-Wold	Gloucestershire	GL54 1AF	FH	
5484	Kings Arms	39 Wallingfield Street		Wantage	Oxfordshire	OX12 8AU	FH	Y
4626	Kings Arms	95 Church Road	Oxford	Wheatley	Oxfordshire	OX33 1LU	FH	Y
8236	Kings Head	242 Coggeshall Road		Braintree	Essex	CM7 9EL	FH	
6660	Kings Head	61 Station Road		Chinnor	Oxfordshire	OX39 4EX	FH	
1301	Kings Head	Bridge Street	Newmarket	Moulton	Suffolk	CB8 8SP	FH	Y
1919	Kings Head	East Grinstead Road	Lewes	North Chailley	EastSussex	BN8 4DH	FH	
4254	Kings Head	19 High Street	Cambridge	Sawston	Cambridgeshire	CB2 4BG	FH	
6661	Kite	68-69 Mill Street		Oxford	Oxfordshire	OX2 0AL	FH	
6662	Lamb	2 Mill Lane	Oxford	Chalgrove	Oxfordshire	OX44 7SL	FH	Y
6477	Lamb	High Street	Chipping Norton	Shipton-Under-Wychwood	Oxfordshire	OX7 6DO	FH	
5487	Lamb & Flag	Middletown	Witney	Hailey	Oxfordshire	OX29 9UB	FH	
6663	Lamb & Flag	Faringdon Road	Abingdon	Longworth	Oxfordshire	OX13 5HN	FH	
1576	Larrik	2 Crouch Hill	London	Crouch End	GreaterLondon	N4 4AU	FH	
7842	Lass O Gowrie	36 Charles Street		Manchester	GreaterManchester	M1 7DB	FH	
1510	Leamington	222 Horn Lane	London	Acton	GreaterLondon	W3 6TG	FH	
7843	Leeds Arms	29 Sheffield Road	Sheffield	Anston	SouthYorkshire	S25 5DT	FH	Y
8713	Lilacs	39 Church Street	Kettering	Isham	Northamptonshire	NN14 1HD	FH	
1001	Lion	Mersea Road	Colchester	Langenhoe	Essex	CO5 7LF	FH	
4753	Lion & Dragon	Wilmot Street		Long Eaton	Nottinghamshire	NG10 3DQ	FH	Y
4754	Lion Revived	Robinsons Hill	Nottingham	Bulwell	Nottinghamshire	NG6 8FL	FH	
6479	Little Brown Jug		Tonbridge	Chiddingstone Causeway	Kent	TN11 8JJ	FH	
4145	Little Rose	7 Orchard Road	Cambridge	Haslingfield	Cambridgeshire	CB3 7JT	FH	
1339	Little Wellington	12 Stowupland Road		Stowmarket	Suffolk	IP14 5AG	FH	
5490	Live & Let Live	57 Haydon Place		Guildford	Surrey	GU1 4NE	FH	
0523	Live & Let Live	35 Northend Road	London	West Kensington	GreaterLondon	W14 8SZ	FH	Y
4756	Lord Clyde	55 Main Street		Kimberley	Nottinghamshire	NG16 2NG	FH	Y
1922	Lord Nelson	11 Nelson Place		Broadstairs	Kent	CT10 1HQ	FH	

4761	Lord Raglan	216 Newthorpe Common		Newthorpe	Nottinghamshire	NG16 2EN	FH	
5496	Lord Raglan	30 Denmark Street		Wokingham	Berkshire	RG40 2BB	FH	
4766	Man of Iron	Pasture Road		Stapleford	Nottinghamshire	NG9 8HZ	FH	Y
1028	Manger	Sudbury Road	Bury St Edmunds	Bradfield Combust	Suffolk	IP30 0LW	FH	Y
1133	Marquis of Cornwallis	The Street	Bury St Edmunds	Chedburgh	Suffolk	IP29 4UH	FH	
6482	Mary Arden Inn		Stratford-upon-Avon	Wilmcote	Warwickshire	CV37 9XJ	FH	
5500	Masters Arms	18 North Town Road		Maidenhead	Berkshire	SL6 7JF	FH	
5501	Maybush		Witney	Newbridge	Oxfordshire	OX29 7OD	FH	
8633	Merry Miller	Cothill Road	Abingdon	Dry Sandford	Oxfordshire	OX13 6JW	FH	
5622	Mikado	London Road		Ascot	Berkshire	SL5 7DL	FH	Y
4613	Militia Canteen	21 Elthorne Road		Uxbridge	Middlesex	UB8 2PS	FH	Y
4115	Millers Arms	38 Ackerman Street	St Neots	Eaton Socon	Cambridgeshire	PE19 8HR	FH	
5505	Milton's Head	20 Deanway	Chalfont St Giles	Chalfont St Giles	Buckinghamshire	HP8 4JL	FH	
1080	Minden Rose	Newmarket Road		Bury St Edmunds	Suffolk	IP33 3SN	FH	
1462	Miners Arms	22 London Road	Sevenoaks	Dunton Green	Kent	TN13 2UF	FH	
2961	Miners Arms	Water Lane	Hope Valley	Eyam	Derbyshire	S32 5RG	FH	Y
8239	Mitre	2 The Street	Witham	Wickham Bishops	Essex	CM8 3NN	FH	
4156	Molly Malbones	117 Nightingale Road		Hitchin	Hertfordshire	SG5 1RG	FH	
8634	Moon & Sixpence	15 The Beach		Clevedon	Avon	BS21 7QU	FH	
5507	Morning Star	98 Papist Way	Wallingford	Cholsey	Oxfordshire	OX10 9QL	FH	
1514	Morrison	648 Kings Road	London	Fulham	GreaterLondon	SW6 2DU	FH	
4195	Mother Redcap	80 Latimer Road		Luton	Bedfordshire	LU1 3XD	FH	
5375	Mulberry	Station Hill		Farnham	Surrey	GU9 8AD	FH	
4777	Nags Head	Stacy Bank	Sheffield	Loxley	SouthYorkshire	S6 6SJ	FH	
8240	Nags Head		Ongar	Moreton	Essex	CM5 0LF	FH	
8241	Nags Head	50 Heath Road	Billericay	Ramsden Heath	Essex	CM11 1HS	FH	
6668	Nags Head	43 Upper High Street		Thame	Oxfordshire	OX9 2DW	FH	
8636	Navigation	Thrupp Wharf	Milton Keynes	Cosgrove	Northamptonshire	MK19 7BE	FH	
4345	Nelson	232 High Road	London	Wood Green	GreaterLondon	N22 8HH	FH	Y
4783	Nelson Butt Inn	10 Market Street		Spitsby	Lincolnshire	PE23 5JT	FH	
4784	Nevile Arms	Owethorpe Lane		Kinoulton	Nottinghamshire	NG12 3EH	FH	
8242	New Barn	Kings Road		Chelmsford	Essex	CM1 4HP	FH	
4070	New Inn	16A Market Square		Biggleswade	Bedfordshire	SG18 8AS	FH	Y
4609	New Inn	18 Bridge Street		Buckingham	Buckinghamshire	MK18 1AF	FH	
8719	New Inn		Bristol	Westerleigh	Gloucestershire	BS37 8QH	FH	Y
4785	New Inn	7 Tamworth Road		Long Eaton	Nottinghamshire	NG10 1JE	FH	
4786	New Inn	Hopping Hill	Belper	Milford	Derbyshire	DE56 0RL	FH	
4787	New Inn	High Street	Alfreton	Riddings	Derbyshire	DE55 4BN	FH	
3531	Noahs Ark		Petworth	Lurgashall	WestSussex	GU28 9ET	FH	
1150	Norfolk	132-134 North Station Road		Colchester	Essex	CO1 1UZ	FH	Y
6670	North Arms	Mills Lane	Banbury	Wroxton	Oxfordshire	OX15 6PY	FH	
1354	North Street Tavern	North Street		Sudbury	Suffolk	CO10 1RE	FH	Y
8695	North Walls	71 North Walls		Winchester	Hampshire	SO23 8DA	FH	
1368	Oak	40 Oak Road	Colchester	Tiptree	Essex	CO5 0NF	FH	Y
4791	Old Black Horse		Ilkeston	Mapperley	Derbyshire	DE7 6BY	FH	
6487	Old Bull	56 High Street		Royston	Hertfordshire	SG8 9AW	FH	
1509	Old Eagle	251 Royal College Street	London	Camden	GreaterLondon	NW1 9LU	FH	
6673	Old Fisherman	Mill Road	Aylesbury	Shabbington	Buckinghamshire	HP18 9HJ	FH	
4163	Old George	Arlesey Road	Hitchin	Ickleford	Hertfordshire	SG5 3UX	FH	
8639	Old Lion	Pailton Road	Rugby	Harborough Magna	Warwickshire	CV23 0HQ	FH	
6489	Old Mill	Town Path		Salisbury	Wiltshire	SP2 8EU	FH	Y
4006	Old Oak	Church Lane		Arlesey	Bedfordshire	SG15 6UX	FH	Y
6491	Old Queens Head	Hammersley Lane	High Wycombe	Penn	Buckinghamshire	HP10 8EY	FH	
1528	Old Red Lion	72 High Holborn	London	Holborn	GreaterLondon	WC1V 6LS	FH	Y
2964	Old School Inn	10 Battle Green	Doncaster	Epworth	SouthYorkshire	DN9 1JT	FH	
1114	Old Spring	1 Ferry Path		Cambridge	Cambridgeshire	CB4 1HB	FH	
4116	Old Sun	161 Great North Road	St Neots	Eaton Socon	Cambridgeshire	PE19 8EQ	FH	
2965	Old Sun Hotel	79 West Lane	Keighley	Haworth	WestYorkshire	BD22 8EN	FH	
0201	Old Talbot	77 Watling Street	Towcester	Potterspury	Northamptonshire	NN12 7OD	FH	
6674	Old Tom	101 St Aldates		Oxford	Oxfordshire	OX1 1BT	FH	
4795	Old Volunteer	61 Caythorpe Road		Caythorpe	Nottinghamshire	NG14 7EB	FH	
5513	Old Wheatsheaf	205 Frimley Green Road	Camberley	Frimley Green	Surrey	GU16 6LA	FH	
1034	Orange Tree	Cressing Road		Braintree	Essex	CM7 3PH	FH	
4799	Ox Lea	Anson Road	Loughborough	Shepshed	Leicestershire	LE12 9PT	FH	Y
6675	Oxfordshire Yeoman	172 Wroslyn Road	Witney	Freeland	Oxfordshire	OX29 8AQ	FH	
5515	Packhorse	Milton Hill	Abingdon	Steventon	Oxfordshire	OX13 6AG	FH	Y
1115	Panton Arms	43 Panton Street		Cambridge	Cambridgeshire	CB2 1HL	FH	
5575	Partridge	32 St Marys Street		Wallingford	Oxfordshire	OX10 0ET	FH	
4835	Peacock Inn	23 Wragby Road		Lincoln	Lincolnshire	LN2 5SH	FH	
4836	Pear Tree Inn	4 Derby Road		Ripley	Derbyshire	DE5 3HR	FH	
8723	Pemberton Arms	2 High Street	Cambridge	Harston	Cambridgeshire	CB2 5PX	FH	
1116	Penny Ferry	110 Water Street		Cambridge	Cambridgeshire	CB4 1PA	FH	
8724	Phoenix	High Street	Winchester	Twyford	Hampshire	SO21 1RF	FH	
1250	Pickerel	38 High Street	Bury St Edmunds	Ixworth	Suffolk	IP31 2HH	FH	
4284	Pig & Whistle	40 Brook Street	Hitchin	Stotfold	Hertfordshire	SG5 4LA	FH	
6676	Plough	61 Stert Street		Abingdon	Oxfordshire	OX14 3JF	FH	
6677	Plough	63 North Street		Bicester	Oxfordshire	OX26 6NB	FH	
5520	Plough	Orchard Lane	Wantage	East Hendred	Oxfordshire	OX12 8JW	FH	Y
4608	Plough	2 High Street	Cambridge	Great Shelford	Cambridgeshire	CB2 5EH	FH	
4174	Plough	77 Church Street	Biggleswade	Langford	Bedfordshire	SG18 9QA	FH	
6008	Plough	253 Ealing Road		Wembley	Middlesex	HA0 1ET	FH	Y
1239	Plough & Fleece	High Street	Cambridge	Horningsea	Cambridgeshire	CB5 9JG	FH	
5518	Plough & Harrow	Forest Road	Bracknell	Warfield	Berkshire	RG42 6AE	FH	Y
5523	Plume	113 High Street		Hungerford	Berkshire	RG17 0NB	FH	

5524	Plume of Feathers	The Borough	Farnham	Crondall	Surrey	GU10 5NT	FH	
7857	Portchester Arms	806 Woodborough Road		Nottingham	Nottinghamshire	NG3 5QJ	FH	
7907	Post Boy	North Street		Ferryhill	Durham	DL17 8HX	FH	Y
0595	Prince	77 Goldhawk Road	London	Shepherds Bush	GreaterLondon	W12 8EG	FH	
1170	Prince Albert	62 Silver Street		Ely	Cambridgeshire	CB7 4JF	FH	Y
4080	Prince of Wales	Rectory Road	Huntingdon	Bluntisham	Cambridgeshire	PE28 3LN	FH	Y
6096	Prince of Wales	64 Shepherds Lane		Bracknell	Berkshire	RG42 2BT	FH	
8245	Prince of Wales	199 Roman Road	Brentwood	Mountnessing	Essex	CM15 0UG	FH	Y
6683	Prince of Wales	Horspath Road		Oxford	Oxfordshire	OX4 2QW	FH	
1926	Prince of Wales	Lidsey Road	Chichester	Woodgate	WestSussex	PO20 3ST	FH	
1083	Priors	1 Priors Avenue		Bury St Edmunds	Suffolk	IP33 3LT	FH	Y
7729	Propaganda Music Canteen	10 London Street		Andover	Hampshire	SP10 2PA	FH	
7736	Propoganda	317-321 Fleet Road		Fleet	Hampshire	GU51 3BU	FH	
8729	Punch & Judy	31 Poole Hill		Bournemouth	Hampshire	BH2 5PW	FH	
8730	Queen	28 Kingsgate Road		Winchester	Hampshire	SO23 9PG	FH	Y
5531	Queen	282 Dedworth Road		Windsor	Berkshire	SL4 4JR	FH	
6684	Queens Arms	Reading Road	Reading	Goring	Berkshire	RG8 0ER	FH	
5537	Queens Head	352 Amersham Road	High Wycombe	Hazlemere	Buckinghamshire	HP15 7HN	FH	
4843	Queens Head	34 Main Street		Kimberley	Nottinghamshire	NG16 2LL	FH	
4250	Queens Head	2-4 Cambridge Road		Sandy	Bedfordshire	SG19 1JE	FH	
8246	Queens Head	76 High Street		Walton-On-The-Naze	Essex	CO14 8AD	FH	Y
7916	Queens Head	38 Bridge Street		Worksop	Nottinghamshire	S80 1JA	FH	
4055	Queens Tavern	120 Queens Drive		Bedford	Bedfordshire	MK41 9JF	FH	
8732	Rack & Manger	Stockbridge Road	Winchester	Crawley	Hampshire	SO21 2PH	FH	
1587	Railway	49 London Road		Bognor Regis	WestSussex	PO21 1PR	FH	
8648	Railway	Station Hill	Southampton	Curdridge	Hampshire	SO30 2DN	FH	
5541	Railway	127 Station Road		Hampton	Middlesex	TW12 2AL	FH	
4846	Railway	7 Bakewell Road		Matlock	Derbyshire	DE4 3AU	FH	Y
1477	Railway Arms	1 Aldenham Road		Watford	Hertfordshire	WD19 4AB	FH	
6686	Red Cow	The Green	Bicester	Chesterton	Oxfordshire	OX26 1UU	FH	
4072	Red Lion	1 London Road		Biggleswade	Bedfordshire	SG18 8ED	FH	
3519	Red Lion	Castle Street	Redhill	Bletchingley	Surrey	RH1 4NU	FH	Y
1619	Red Lion	10 North Road		Bromley	Kent	BR1 3LG	FH	Y
1757	Red Lion	20 Mill End Road		Cherry Hinton	Cambridgeshire	CB1 9JP	FH	Y
6497	Red Lion	Lower High Street		Chipping Campden	Gloucestershire	GL55 6AS	FH	
5545	Red Lion	Abingdon Road	Abingdon	Drayton	Oxfordshire	OX14 4JB	FH	
8649	Red Lion	Main Street	Leamington Spa	Hunningham	Warwickshire	CV33 9DY	FH	Y
5546	Red Lion		Witney	Northmoor	Oxfordshire	OX29 5SX	FH	
5548	Red Lion	40-42 Oxford Road	Oxford	Old Marston	Oxfordshire	OX3 0PH	FH	Y
1350	Red Lion	The Street	Haverhill	Sturmer	Suffolk	CB9 7XF	FH	
6688	Red Lion	1-3 Corn Street		Witney	Oxfordshire	OX28 6DB	FH	
5550	Red Lion	127 Cassington Road	Kidlington	Yarnton	Oxfordshire	OX5 1QD	FH	
1511	Red Lion & Sun	25 North Road	London	Highgate	GreaterLondon	N6 4BE	FH	
1183	Red Lodge	Turnpike Road	Bury St Edmunds	Red Lodge	Suffolk	IP28 8LB	FH	
5282	Redan	24 Peach Street		Wokingham	Berkshire	RG40 1XG	FH	Y
6700	Reservoir	London Road	Cheltenham	Charlton Kings	Gloucestershire	GL54 4HG	FH	
8737	Rifle Volunteer	21 Collett Road		Ware	Hertfordshire	SG12 7LY	FH	
1036	Rifleman	Rifle Hill		Braintree	Essex	CM7 1DG	FH	
3527	Rifleman	5 East Street		Epsom	Surrey	KT17 1BB	FH	
1391	Robert Kelt	Lime Tree Avenue		Wymondham	Norfolk	NR18 0HH	FH	
8738	Robin Hood	Durley Street	Southampton	Durley	Hampshire	SO32 2AA	FH	
8740	Roebuck	57 Stockbridge Road		Winchester	Hampshire	SO22 6RP	FH	
4010	Rose & Crown	69 High Street	Baldock	Ashwell	Hertfordshire	SG7 5NP	FH	
4024	Rose & Crown	8 White Horse Street		Baldock	Hertfordshire	SG7 6QN	FH	
1019	Rose & Crown	82 Holmsey Green	Bury St Edmunds	Beck Row	Suffolk	IP28 8AP	FH	
1037	Rose & Crown	94 Church Street		Braintree	Essex	SP4 5JY	FH	
6070	Rose & Crown	39 High Street	Salisbury	Bulford	Wiltshire	SP4 9DS	FH	
1087	Rose & Crown	48 Whiting Street		Bury St Edmunds	Suffolk	IP33 1NP	FH	
1502	Rose & Crown	2 The Polygon	London	Clapham	GreaterLondon	SW4 0JG	FH	
5561	Rose & Crown	Hollybush Hill	Slough	Stoke Poges	Buckinghamshire	SL2 4PW	FH	
4511	Rose & Crown	Upper Green Road	Welwyn	Tewin	Hertfordshire	AL6 0LE	FH	Y
4858	Rose & Crown	High Street	Chesterfield	Barlborough	Derbyshire	S43 4ET	FH	
1224	Rose Tavern	44 Burton End		Haverhill	Suffolk	CB9 9LR	FH	
4197	Roundgreen Tavern	386 Hitchin Road		Luton	Bedfordshire	LU2 7SR	FH	
5285	Royal Albion	642 Oxford Road		Reading	Berkshire	RG30 1EH	FH	Y
1225	Royal Exchange	69-71 High Street		Haverhill	Suffolk	CB9 8AH	FH	
5567	Royal Foresters	London Road		Ascot	Berkshire	SL5 8DR	FH	
4029	Royal Oak	Bedford Road	Bedford	Barton-Le-Clay	Bedfordshire	MK45 4JX	FH	
1214	Royal Oak	58 High Street		Halstead	Essex	CO9 2JG	FH	
4168	Royal Oak	89-91 Woburn Road	Bedford	Kempston	Bedfordshire	MK42 7OR	FH	
4222	Royal Oak	4 Biggleswade Road	Sandy	Potton	Bedfordshire	SG19 2LU	FH	
4864	Royal Oak	25 Main Road		Watnall	Nottinghamshire	NG16 1HS	FH	
4318	Royal Oak	18 Church Road	Milton Keynes	Woburn Sands	Buckinghamshire	MK17 8TA	FH	
5574	Royal Standard	Forest Road	Bracknell	Binfield	Berkshire	RG42 4HP	FH	
1171	Royal Standard	24 Forehill		Ely	Cambridgeshire	CB7 4AF	FH	
4866	Royal Tiger	159 Nottingham Road		Somercotes	Derbyshire	DE55 4JH	FH	
2972	Runswick Bay Hotel	2 Hinderwell Lane	Saltburn-by-the-Sea	Runswick Bay	NorthYorkshire	TS13 5HR	FH	
5364	Salthouse	63 Abbey Road	London	St Johns Wood	GreaterLondon	NW8 0AE	FH	
5579	Saxton Arms	212A Saxton Road		Abingdon	Oxfordshire	OX14 5HF	FH	Y
5291	Sebastopol	137 Clewer Hill Road		Windsor	Berkshire	SL4 4DW	FH	
7964	Shades	85 High Street		Crawley	WestSussex	RH10 1BA	FH	
3358	Shakespeare	68 Prince Street		Bristol	CityofBristol	BS1 4QD	FH	
6691	Shears	39 Mill Street		Wantage	Oxfordshire	OX12 9AB	FH	

5581	Shepherds Hut	High Street	Wallingford	Ewelme	Oxfordshire	OX10 6HQ	FH	Y
2380	Shepherds Rest	Galmington Road		Taunton	Somerset	TA1 5NZ	FH	Y
4057	Ship	7 St Cuthberts Street		Bedford	Bedfordshire	MK40 3JB	FH	
8254	Ship	18 Broomfield Road		Chelmsford	Essex	CM1 1SW	FH	Y
2473	Ship	68 High Street		Fordingbridge	Hampshire	SP6 1AX	FH	
1292	Ship	Nene Parade		March	Cambridgeshire	PE15 8TD	FH	
1329	Ship	2-4 High Street	Ely	Soham	Cambridgeshire	CB7 5HD	FH	
8652	Ship & Castle	High Street	Bristol	Congresbury	Somerset	BS49 5JA	FH	
4873	Ship Inn	312 Shalesmoor		Sheffield	SouthYorkshire	S3 8UL	FH	
8653	Silver Fox	16 London Road	Hertford	Hertford Heath	Hertfordshire	SG13 7RH	FH	
4874	Silver Ghost	Field Drive		Alvaston	Derbyshire	DE2 0HF	FH	Y
1025	Six Bells	Main Road	Chelmsford	Boreham	Essex	CM3 3JE	FH	
1122	Six Bells	11 Covent Garden		Cambridge	Cambridgeshire	CB1 2HS	FH	
5585	Six Bells	55 Hale Road		Farnham	Surrey	GU9 9QZ	FH	Y
1241	Six Bells	The Street	Bury St Edmunds	Horringer	Suffolk	IP29 5SJ	FH	
1373	Six Bells	Summer Road	Bury St Edmunds	Walsham-Le-Willows	Suffolk	IP31 3AH	FH	
4880	Spinning Wheel	96 Wood Road	Derby	Chaddesden	Derbyshire	DE21 4LZ	FH	
4881	Spitfire	Mickley Lane	Sheffield	Totley	SouthYorkshire	S17 4HE	FH	
4882	Springfield Tavern	182 Broomspring Lane		Sheffield	SouthYorkshire	S10 2FE	FH	
4137	Square & Compasses	46 High Street	Cambridge	Great Shelford	Cambridgeshire	CB2 5EH	FH	Y
8655	Stag	Redhill	Warwick	Alcester	Warwickshire	B49 6NQ	FH	
2974	Stakesby Arms	1 Byland Road		Whitby	NorthYorkshire	YO21 1JH	FH	Y
5592	Star	Bucknell Road		Bicester	Oxfordshire	OX26 2DG	FH	
3525	Star	36 West Street		Dorking	Surrey	RH4 1BU	FH	Y
5593	Star	17 Church Street		Godalming	Surrey	GU7 1EL	FH	
1266	Star	The Street	Newmarket	Lidgate	Suffolk	CB8 9PP	FH	
4265	Star	62 High Street	Ware	Standon	Hertfordshire	SG11 1LB	FH	
8656	Star & Garter	4-6 Warwick Street	Warwick	Leamington Spa	Warwickshire	CV32 5LL	FH	
5591	Star & Garter	113 Wellington Street		Thame	Oxfordshire	OX9 3BW	FH	
8256	Steamboat Tavern	78-80 New Cut West		Ipswich	Suffolk	IP2 8HW	FH	Y
8750	Sun	London Road	Liss	Rake	Hampshire	GU33 7PQ	FH	
8257	Sun	59 Gold Street		Saffron Walden	Essex	CB10 1EJ	FH	
5595	Sun & Stars	Forest Green Road	Maidenhead	Holyport	Berkshire	SL6 2NN	FH	
1397	Swan	Coggeshall Road	Braintree	Bradwell	Essex	CM77 8ED	FH	
1142	Swan	4 High Street	Sudbury	Clare	Suffolk	CO10 8NY	FH	
4117	Swan	High Street	Bedford	Elstow	Bedfordshire	MK42 9XU	FH	
8258	Swan	Station Road	Dunmow	Felsted	Essex	CM6 3DG	FH	
1264	Swan	The Street	Bury St Edmunds	Lawshall	Suffolk	IP29 4QA	FH	
6693	Swan	The Green	Abingdon	Sutton Courtenay	Oxfordshire	OX14 4AE	FH	
8259	Swan	153 Newland Street		Witham	Essex	CM8 1BE	FH	
4621	Swan & Castle	52 Lower Road	Aylesbury	Quainton	Buckinghamshire	HP22 4BJ	FH	
4887	Swan & Salmon	140 Ashbourne Road		Derby	Derbyshire	DE3 3AF	FH	Y
5600	Swinley	29 Brockenhurst Road		Ascot	Berkshire	SL5 9DJ	FH	
8752	Talbot	33 Meadow Road		Kettering	Northamptonshire	NN16 8TL	FH	
1622	Tally Ho	Baxter Road		Lewes	EastSussex	BN7 2SP	FH	
4295	Tap Bar	83 High Street		Ware	Hertfordshire	SG12 9AD	FH	Y
5601	Ten Bells	Upper Street	Maidstone	Leeds	Kent	ME17 1SE	FH	
6523	Thatched Cottage	63-65 Charlton Road		Shepton Mallet	Somerset	BA4 5QF	FH	
2976	Thorn tree Inn	Jackson Road		Matlock	Derbyshire	DE4 3JQ	FH	Y
6696	Three Horseshoes	16 The Green	Oxford	Garsington	Oxfordshire	OX44 9DF	FH	
4226	Three Horseshoes	42 Top End	Bedford	Renhold	Bedfordshire	MK41 0LR	FH	
4310	Three Horseshoes		Letchworth Garden City	William	Hertfordshire	SG6 2AE	FH	
1521	Three Stags	67-69 Kennington Road	London	Kennington	GreaterLondon	SE1 7PZ	FH	
4896	Three Stags Heads	Main Road	Matlock	Darley Bridge	Derbyshire	DE4 2JW	FH	
4513	Three Tuns	36 London Road		Bishops Stortford	Hertfordshire	CM23 5NF	FH	
4120	Three Tuns	High Street	Cambridge	Fen Drayton	Cambridgeshire	CB4 5SJ	FH	Y
4267	Tree	9 Bar Lane	Cambridge	Stapleford	Cambridgeshire	CB2 5BJ	FH	
7734	Trents	50 South Street		Chichester	WestSussex	PO19 1DS	FH	
1525	Trinity	202-206 Borough High Street	London	Southwark	GreaterLondon	SE1 1JX	FH	
4623	Two Brewers	50 North Street		Thame	Oxfordshire	OX9 3BH	FH	Y
5611	Victoria	Victoria Road	Slough	Farnham Common	Buckinghamshire	SL2 3NL	FH	
1366	Victoria	Norton Road	Bury St Edmunds	Thurston	Suffolk	IP31 3QH	FH	
8265	Victoria	Powers Hall End		Witham	Essex	CM8 1LT	FH	
3515	Victory	Suffolk Street		Walton-On-The-Naze	Essex	CO14 8AR	FH	
1956	Village Inn	Holt Hill	Redditch	Beoley	Worcestershire	B98 9AT	FH	Y
6527	Virginia Ash	Sherborne Road	Templecombe	Henstridge	Somerset	BA8 0PL	FH	
5614	Waggon & Horses	112 Pinkneys Road		Maidenhead	Berkshire	SL6 5DN	FH	
5615	Waggon & Horses	Faringdon Road	Abingdon	Southmoor	Oxfordshire	OX13 5BG	FH	
4269	Waggon & Horses	19 Church Street	Royston	Steeple Morden	Hertfordshire	SG8 0NJ	FH	
1361	Waggon & Horses	Church Walk		Sudbury	Suffolk	CO10 1HJ	FH	Y
1041	Wagon & Horses	53 South Street		Braintree	Essex	CM7 3QD	FH	
5613	Wagon & Horses	Cophall Lane	Gerrards Cross	Chalfont St Peter	Buckinghamshire	SL9 0BU	FH	
8266	Walnut Tree	Broads Green	Chelmsford	Great Waltham	Essex	CM3 1DT	FH	
6751	Warrick	25 Warwick Way	London	London	GreaterLondon	SW1V 1QT	FH	
8658	Warwick Arms	Upper Bristol Road	Bristol	Clutton	Somerset	BS39 5TA	FH	
4907	Welbeck Inn	18-20 Soresby Street		Chesterfield	Derbyshire	S40 1JN	FH	
1623	Wellington	33 Steyne Road		Seaford	EastSussex	BN25 1HT	FH	Y
4908	Wellington Inn	103 Nottingham Road		Eastwood	Nottinghamshire	NG16 3GH	FH	Y
6701	Wheatsheaf	68 George Street		Banbury	Oxfordshire	OX16 5BH	FH	Y
1131	Wheatsheaf	2 Queen Street	Halstead	Castle Hedingham	Essex	CO9 3EX	FH	
6042	Wheatsheaf	582 Fulham Road	London	Fulham	GreaterLondon	SW6 5NT	FH	
8267	Wheatsheaf	The Green	Chelmsford	Hatfield Peverel	Essex	CM3 2JF	FH	
4217	Wheatsheaf	West Perry	Huntingdon	Perry	Cambridgeshire	PE28 0BX	FH	

1314	Wheatsheaf	Stow Road	Cambridge	Stow-Cum-Quy	Cambridgeshire	CB5 9AD	FH	
5628	Wheel	100 Main Road	High Wycombe	Naphill	Buckinghamshire	HP14 4QA	FH	
5629	Wheelwright Arms	4 The Broadway	Hungerford	Lambourn	Berkshire	RG17 8XY	FH	
2447	White Bear	Church Street		Rickmansworth	Hertfordshire	WD3 1JQ	FH	Y
4026	White Hart	21 Hitchin Street		Baldock	Hertfordshire	SG7 6AL	FH	
4913	White Hart	Towngate	Hope Valley	Bradwell	Derbyshire	S33 9JX	FH	
5630	White Hart	Three Households		Chalfont St Giles	Buckinghamshire	HP8 4LP	FH	
5631	White Hart	31 Newland Street	Witney	Eynsham	Oxfordshire	OX29 4LB	FH	Y
1187	White Hart	1 Balsam Road	Cambridge	Fulbourn	Cambridgeshire	CB1 5BZ	FH	
8269	White Hart	The Street	Braintree	Great Saling	Essex	CM7 5DR	FH	Y
5632	White Hart	Church Street		Hampstead Norreys	Berkshire	RG18 0TB	FH	
5634	White Hart	139 London Road	Alton	Holybourne	Hampshire	GU34 4EY	FH	Y
8270	White Hart	107 The Street	Chelmsford	Little Waltham	Essex	CM3 3NY	FH	
4914	White Hart	4 Market Place		Spilsby	Lincolnshire	PE23 5JT	FH	
1466	White Hart	High Street		Wadhurst	EastSussex	TN5 6AP	FH	
8031	White Horse	Winchester Road	Romsey	Ampfield	Hampshire	SO51 9BQ	FH	Y
0838	White Horse	North Street		Barking	Essex	IG11 8JE	FH	Y
4032	White Horse	118 High Street	Cambridge	Barton	Cambridgeshire	CB3 7BG	FH	Y
2978	White Horse	30 High Street	Bridlington	Bempton	EastRidingYorkshire	YO15 1HB	FH	
4076	White Horse	1 High Street		Biggleswade	Bedfordshire	SG18 0JE	FH	
4086	White Horse	30 Southill Road	Biggleswade	Broom	Bedfordshire	SG18 9NN	FH	
4094	White Horse	Rickmansworth Road	Rickmansworth	Chorleywood	Hertfordshire	WD3 5SD	FH	
1467	White Horse	Carriers Road		Cranbrook	Kent	TN17 3EX	FH	
5636	White Horse	South Hill	Southampton	Droxford	Hampshire	SO32 3PB	FH	Y
5637	White Horse	Newbury Road	Thatcham	Hermitage	Berkshire	RG18 9TB	FH	
1253	White Horse	Sturmer Road	Haverhill	Kedington	Suffolk	CB9 7NS	FH	Y
4507	White Horse	Belmont Hill	Saffron Walden	Newport	Essex	CB11 3RF	FH	
3544	White Horse	86 Borstal Street		Rochester	Kent	ME1 3JS	FH	
1323	White Horse	41 Church Street	Halstead	Sible Hedingham	Essex	CO9 3NT	FH	
4509	White Horse		Ware	Wareside	Hertfordshire	SG12 7QX	FH	
1376	White Horse	12 Greenside	Cambridge	Waterbeach	Cambridgeshire	CB5 9HP	FH	
1392	White Horse	2 Church Street		Witham	Essex	CM8 2JL	FH	
4027	White Lion	High Street		Baldock	Hertfordshire	SG7 6BJ	FH	Y
4918	White Lion	47-49 Town Street	Nottingham	Bramcote	Nottinghamshire	NG9 3HH	FH	Y
6533	White Lion	Startops End	Tring	Marsworth	Hertfordshire	HP23 4LJ	FH	
3541	White Lion	40 Linkfield Street		Redhill	Surrey	RH1 6BY	FH	Y
1125	White Swan	107-109 Mill Road		Cambridge	Cambridgeshire	CB1 2AZ	FH	Y
4101	White Swan	Elsworth Road	Cambridge	Conington	Cambridgeshire	CB3 8LN	FH	
8035	White Swan	Church Street	Leeds	Rothwell	WestYorkshire	LS26 0QL	FH	Y
1535	William IV	19 Frimley Road		Camberley	Surrey	GU15 3EN	FH	
6739	Wilmington Arms	69 Roseberry Avenue	London	Clerkenwell	GreaterLondon	EC1R 4RL	FH	
0423	Wiltshire Yeoman	Chilmark Road		Trowbridge	Wiltshire	BA14 9DD	FH	
3011	Windmill	Knox Road		Norwich	Norfolk	NR1 4LQ	FH	
2980	Wisewood Inn	539 Loxley Road	Sheffield	Loxley	SouthYorkshire	S6 6RR	FH	
5641	Woodley Arms	Waldeck Street		Reading	Berkshire	RG1 2RF	FH	
4279	Woodmans Arms	Chadwell Road		Stevenage	Hertfordshire	SG1 2DP	FH	Y
6706	Woodstock Arms	270-272 Woodstock Road		Oxford	Oxfordshire	OX2 7NW	FH	
6707	Woodstock Arms	6-8 Market Street		Woodstock	Oxfordshire	OX20 1SX	FH	
1181	Woolpack	The Street	Bury St Edmunds	Fornham St Martin	Suffolk	IP31 1SW	FH	
1228	Woolpack	50 Queen Street		Haverhill	Suffolk	CB9 9EF	FH	Y
4315	Woolpack	Bedford Road	Bedford	Wilstead	Bedfordshire	MK45 3HW	FH	
8043	Woolpack Country Inn	Whitley Road	Dewsbury	Whitley	WestYorkshire	WF12 0LZ	FH	
4296	Worppell	35 Watton Road		Ware	Hertfordshire	SG12 0AD	FH	
1305	Yard	Grosvenor Yard		Newmarket	Suffolk	CB8 9AW	FH	
4924	Yarn Spinner	Stoney Lane		Spondon	Derbyshire	DE21 7QG	FH	Y
1419	Ye Olde Bell & Steelyard	103 New Street		Woodbridge	Suffolk	IP12 1DZ	FH	
4926	Yew Tree Inn	51 Cordy Lane		Brinsley	Nottinghamshire	NG16 5BY	FH	Y
2957	Jug & Barrel	56-58 Town Street	Pudsey	Stanningley	WestYorkshire	LS28 6EZ	FH/LLH	
8606	Bell	83 St Cross Road		Winchester	Hampshire	SO23 9RE	FH/SLH	
2954	Harwood	Station Road	Harrogate	Pannal	NorthYorkshire	HG3 1JN	FH/SLH	
8759	White Hart		Newnham	Broad oak	Gloucestershire	GL14 1JB	FH/SLH	
8201	Alma	26 Russell Court		Cambridge	Cambridgeshire	CB2 1HW	LLH	Y
5114	Bull		Buntingford	Cottered	Hertfordshire	SG9 9QP	LLH	
5608	Crown	73-75 Shirley High Street		Southampton	Hampshire	SO15 3NP	LLH	
5481	Kestrel	Buckingham Parade		Basingstoke	Hampshire	RG22 5NZ	LLH	
5105	King Pin	277 Archer Road		Stevenage	Hertfordshire	SG1 5HF	LLH	
3901	Nu Bar	153 High Road		Loughton	Essex	IG10 4LF	LLH	Y
8742	Running Horse	22 Pound Hill		Airesford	Hampshire	SO24 9BW	LLH	Y
5604	Three Crowns	Southampton Road	Salisbury	Whaddon	Wiltshire	SP5 3HB	LLH	
5607	Tom Tiddlers Tavern	1 Filey Close		Stevenage	Hertfordshire	SG1 2JW	LLH	Y
5406	Cross Keys	Birdlip Road		Portsmouth	Hampshire	PO6 4EE	SLH	
7960	Sandpiper	Easby Road		Washington	TyneandWear	NE38 7NN	SLH	Y
3057	Tower Tavern	2 Clipstone Street	London	Marylebone	GreaterLondon	W1W 6BA	SLH	

<b>Freehold</b>	<b>633</b>
<b>Mixed Tenure</b>	<b>4</b>
<b>Long Leasehold</b>	<b>9</b>
<b>Short Leasehold</b>	<b>3</b>
<b>Total Properties</b>	<b>649</b>
<b>Sample Properties</b>	<b>142</b>

**Tenanted and Leased Estate  
Portfolio 5**

House No	House Name	Address	Postal Town	City/Town	County	Post Code	Tenure	Sample Property
5350	Abingdon Arms	87 Grove Street		Wantage	Oxfordshire	OX12 7BH	FH	
4096	Admiral	9 Broad Street	Shefford	Clifton	Bedfordshire	SG17 5RJ	FH	
0349	Alexandra	50 Park Road		Kingston-Upon-Thames	Surrey	KT2 6AX	FH	
3558	Alexandra	114 Warley Hill	Brentwood	Warley	Essex	CM14 5HB	FH	
1901	Alexandra Arms	453 Seaside		Eastbourne	EastSussex	BN22 7SA	FH	
1155	Alma	Copford Green	Colchester	Copford	Essex	CO6 1BZ	FH	
5352	Alma	21 Alma Lane		Farnham	Surrey	GU9 0LJ	FH	Y
8202	Anchor	Runsell Green	Chelmsford	Danbury	Essex	CM3 4OZ	FH	
8665	Anchor	Dunstable Road	Leighton Buzzard	Tilsworth	Bedfordshire	LU7 9PU	FH	
4624	Anchor	73 Western Road		Tring	Hertfordshire	HP23 4BH	FH	
5356	Anchor	Horton Road	Staines	Stanwell Moor	Middlesex	TW19 6AQ	FH	
1190	Angel	Egremont Street	Sudbury	Glemsford	Suffolk	CO10 7SA	FH	
1960	Angel	High Street	Warminster	Heytesbury	Wiltshire	BA12 0ED	FH	
8666	Angel	1 Luton Road		Dunstable	Bedfordshire	LU5 6DE	FH	
2936	Angel Hotel	19 High Street	Richmond	Catterick	NorthYorkshire	DL10 7LL	FH	
4629	Angel Inn	Bawtry Road	Worksop	Blyth	Nottinghamshire	S81 8HG	FH	
7616	Antelope	87 Maple Road		Surbiton	Surrey	KT6 4AW	FH	Y
0378	Arab Boy	289 Upper Richmond Road	London	Putney	GreaterLondon	SW15 6SP	FH	
1147	Artilleryman	54-56 Artillery Street		Colchester	Essex	CO1 2JG	FH	
1220	Australian Arms	48-50 Hamlet Road		Haverhill	Suffolk	CB9 8OQ	FH	
1097	Bakers	176 East Road		Cambridge	Cambridgeshire	CB1 1BG	FH	
1185	Bakers Arms	4 Hinton Road	Cambridge	Fulbourn	Cambridgeshire	CB1 5DZ	FH	
8203	Bar IV	9-13 St Peter Street		Ipswich	Suffolk	IP1 1XF	FH	
8669	Barley Corn	Lower Basingwell Street	Southampton	Bishops Waltham	Hampshire	SO32 1AJ	FH	
4333	Barn Owl	Olden Road		Northampton	Northamptonshire	NN3 5DD	FH	
1252	Barnardiston Arms	Kings Hill	Haverhill	Kedington	Suffolk	CB9 7NA	FH	
2937	Bay Horse	York Road	York	Green Hammerton	NorthYorkshire	YO26 8BN	FH	
2938	Bay Horse	West End	Scunthorpe	Winteringham	NorthLincolnshire	DN15 9NS	FH	
2939	Bay Horse Inn	5 Silver Street	Ripon	Masham	NorthYorkshire	HG4 4DX	FH	
2940	Bay Horse Inn		Hexham	West Woodburn	Northumberland	NE48 2RX	FH	
4038	Bear	92 High Street		Bedford	Bedfordshire	MK40 1NN	FH	
1486	Bedford	2 High Street		Tunbridge Wells	Kent	TN1 1UX	FH	
5362	Beehive	264 High Street		Aldershot	Hampshire	GU12 4LP	FH	
8204	Beehive	346 Baddow Road		Chelmsford	Essex	CM2 9RA	FH	
8205	Beehive	Barrack Lane	Chelmsford	Great Waltham	Essex	CM3 1ES	FH	Y
1240	Beehive	The Street	Bury St Edmunds	Horringer	Suffolk	IP29 5SN	FH	Y
7630	Bell	Salisbury Street	Salisbury	Amesbury	Wiltshire	SP4 7AW	FH	Y
1007	Bell	2 West Wickham Road	Cambridge	Balsham	Cambridgeshire	CB1 6DZ	FH	
4062	Bell	4 Town Lane	Stevenage	Benington	Hertfordshire	SG2 7LA	FH	
6409	Bell	Church Street	Chipping Norton	Charlbury	Oxfordshire	OX7 3PP	FH	Y
4136	Bell	High Street	St Neots	Charl Paxton	Cambridgeshire	PE19 6RF	FH	Y
1221	Bell	9 High Street		Haverhill	Suffolk	CB9 8AA	FH	
8671	Bell	Newmarket Road	Newmarket	Kennett	Suffolk	CB8 7PP	FH	
4209	Bell	Horsefair Lane	Bedford	Odell	Bedfordshire	MK43 7AU	FH	
4605	Bell	4 High Street	Ware	Standon	Hertfordshire	SG11 1LA	FH	
6407	Bell Hotel	Market Hill	Sudbury	Clare	Suffolk	CO10 8NN	FH	Y
1319	Bennet Arms	1 Kingshall Street	Bury St Edmunds	Rougham	Suffolk	IP30 9LH	FH	
4127	Bird in Hand	High Street	Hitchin	Gosmore	Hertfordshire	SG4 7QG	FH	
5371	Bird in Hand	High Street	Sandhurst	Little Sandhurst	Berkshire	GU47 8LQ	FH	
4620	Bird in Hand	47 Station Road		Princes Risborough	Buckinghamshire	HP27 9DE	FH	
7772	Bishop	25-27 Lordship Lane		East Dulwich	GreaterLondon	SE22 8EW	FH	
1059	Black Boy	69 Guildhall Street		Bury St Edmunds	Suffolk	IP33 1QD	FH	
6609	Black Boy	91 Old High Street	Oxford	Headington	Oxfordshire	OX3 9HT	FH	
1352	Black Boy	Market Hill		Sudbury	Suffolk	CO10 2EA	FH	
1139	Black Bull	St Osyth Road		Clacton-On-Sea	Essex	CO15 3ES	FH	
8672	Black Dog	Winchester Road	Southampton	Waltham Chase	Hampshire	SO32 2LX	FH	
8674	Black Horse	Main Street	Market Harborough	Foxton	Leicestershire	LE16 7RD	FH	
5373	Black Horse		Abingdon	Gozzards Ford	Oxfordshire	OX13 6JH	FH	Y
2943	Black Horse	Garrs Lane	Skipton	Grassington	NorthYorkshire	BD23 5AT	FH	
1222	Black Horse	Camps Road		Haverhill	Suffolk	CB9 8HF	FH	
4150	Black Horse	29-31 West Street		Hertford	Hertfordshire	SG13 8EZ	FH	
1934	Black Horse	55 Western Road		Lewes	EastSussex	BN7 1RS	FH	
1616	Black Horse	65 High Street		Rottingdean	EastSussex	BN2 7HE	FH	
6413	Black Horse	1 Bedford Street		Woburn	Bedfordshire	MK17 9QB	FH	
1191	Black Lion	Lion Road	Sudbury	Glemsford	Suffolk	CO10 7RF	FH	
5230	Black Swan	17 Bath Street		Abingdon	Oxfordshire	OX14 3QH	FH	
6610	Black Swan	11 Crown Street		Oxford	Oxfordshire	OX4 1QG	FH	
4640	Black Swan	35 Albert Street		Mansfield	Nottinghamshire	NG18 1EA	FH	
6611	Blackbird	Blackbird Leys Road		Oxford	Oxfordshire	OX4 6HW	FH	
0186	Blue Bell	10 High Street	Peterborough	Ginton	Northamptonshire	PE6 7LS	FH	
4139	Blue Lion	74 Main Street	Cambridge	Hardwick	Cambridgeshire	CB3 7QU	FH	Y
6428	Blue Zucchini	7-9 Church Street		Tetbury	Gloucestershire	GL8 8JG	FH	Y
8212	Boars Head	85 High Street		Braintree	Essex	CM7 1JS	FH	
6613	Boat		Kidlington	Thrupp	Oxfordshire	OX5 1JY	FH	
0771	Bollo House	13 Bollo Lane	London	Chiswick	GreaterLondon	W4 5LR	FH	
2945	Bonny Moorhen	25 Front Street	Bishop Auckland	Stanhope	Durham	DL13 2TS	FH	Y
4015	Boot	73 High Street		Baldock	Hertfordshire	SG7 6BP	FH	
5233	Boot	Park Road		Bracknell	Berkshire	RG12 2LU	FH	
4648	Boythorpe Inn	77 Boythorpe Road		Chesterfield	Derbyshire	S40 2NE	FH	
1315	Brewers Arms	Lower Road	Bury St Edmunds	Rattlesden	Suffolk	IP30 0RJ	FH	

1905	Brewers Arms		Heathfield	Vines Cross	EastSussex	TN21 9EN	FH	
8675	Brewery Bar	10 Winchester Street	Southampton	Botley	Hampshire	SO30 2AA	FH	
5379	Brewery Tap	40-42 Ock Street		Abingdon	Oxfordshire	OX14 5BZ	FH	
7648	Brewery Tap	22 Park Street West		Luton	Bedfordshire	LU1 3BE	FH	
5381	Bricklayers Arms	53 Hawks Road		Kingston-Upon-Thames	Surrey	KT1 3DS	FH	
3533	Bricklayers Arms	Wool Lane		Midhurst	WestSussex	GU29 9BX	FH	
4649	Brickmakers Arms	9-11 Main Street	Burton on Trent	Newton Solney	Staffordshire	DE15 0SJ	FH	
4651	Bridge Inn	Calver Bridge		Hope Valley	Derbyshire	S32 3XA	FH	
2946	Bridgewater Arms		Darlington	Winston	Durham	DL2 3RN	FH	
4653	Britannia Inn	28 Britannia Street	Loughborough	Shepshed	Leicestershire	LE12 9AE	FH	
4655	Broadway	263-265 Abbey Lane		Leicester	Leicestershire	LE4 5OH	FH	
7656	Brooklands	Hope Road		Sale	GreaterManchester	M33 3YA	FH	
7657	Brunswick	199 Malmesbury Park Road		Bournemouth	Dorset	BH8 8PX	FH	
5383	Bucks Head	Bucks Head Hill	Southampton	Meonstoke	Hampshire	SO32 3NA	FH	
8679	Bull		Leamington Spa	Weston-Under-Wetherley	Warwickshire	CV33 9BP	FH	
4657	Bull & Badger	Cherry Tree Drive	Sheffield	Killamarsh	SouthYorkshire	S21 1AR	FH	
3384	Bulldog	Queens Drive		Swindon	Wiltshire	SN3 1AS	FH	
4659	Bulls Head	Little Hallam Hill		Ilkeston	Derbyshire	DE7 4LY	FH	
1303	Bushel	Market Street		Newmarket	Suffolk	CB8 8EE	FH	
8214	Butchers Arms	North End		Dunmow	Essex	CM6 3PJ	FH	
4660	Butchers Arms	127 Hands Road		Heanor	Derbyshire	DE75 7HB	FH	
2947	Butlers	18 Nun Street		Newcastle-Upon-Tyne	TyneandWear	NE1 5AG	FH	
4663	Camarvon Arms	Fackley Road	Sutton in Ashfield	Teversal	Nottinghamshire	NG17 3JA	FH	
5387	Carpenters Arms	Main Road	Abingdon	Appleford	Oxfordshire	OX14 4PD	FH	Y
6618	Carpenters Arms	Fulbrook Hill	Burford	Fulbrook	Oxfordshire	OX18 4BH	FH	Y
6619	Carpenters Arms	15 Spittal Street		Marlow	Buckinghamshire	SL7 3HJ	FH	
5514	Castle Tavern	24 Paradise Street		Oxford	Oxfordshire	OX1 1LD	FH	
4665	Cat & Fiddle	Ladywood Road	Ilkeston	Kirk Hallam	Derbyshire	DE7 4NJ	FH	
6424	Chaser	Stumble Hill	Tonbridge	Shipbourne	Kent	TN11 9PE	FH	
4028	Chequers	London Road	Royston	Barley	Hertfordshire	SG8 8JQ	FH	Y
8610	Chequers	Hanham Mills		Bristol	Gloucestershire	BS15 3NU	FH	
5390	Chequers	17 Station Road	Carterton	Brize Norton	Oxfordshire	OX18 3PR	FH	
1204	Chequers	The Street	Colchester	Great Tey	Essex	CO6 1JS	FH	
5391	Chequers	High Street	Great Missenden	Prestwood	Buckinghamshire	HP16 9HD	FH	
4270	Chequers	164 High Street		Stevenage	Hertfordshire	SG1 3LL	FH	
4282	Chequers	33 Queen Street	Hitchin	Stoffold	Hertfordshire	SG5 4NX	FH	
4286	Chequers	171 Sharpnhoes Road	Luton	Streatley	Bedfordshire	LU3 3PS	FH	
1388	Chequers	7 Church Road	Kings Lynn	Wimbotsham	Norfolk	PE34 3QG	FH	
1328	Cherry Tree	66 Fordham Road	Ely	Soham	Cambridgeshire	CB7 5AH	FH	
1201	Chestnut Horse	The Green	Stowmarket	Great Finborough	Suffolk	IP14 3AT	FH	
1379	Chestnut Tree	1 High Street	Cambridge	West Wrating	Cambridgeshire	CB1 5LU	FH	
1101	Clarendon Arms	35-37 Clarendon Street		Cambridge	Cambridgeshire	CB1 1JX	FH	
4065	Coach & Horses	49-51 Shortmead Street		Biggleswade	Bedfordshire	SG18 0AT	FH	
4227	Coach & Horses	22 High Street		Rickmansworth	Hertfordshire	WD3 1ER	FH	
4017	Cock	43 High Street		Baldock	Hertfordshire	SG7 6BG	FH	
8216	Cock	Main Road	Chelmsford	Boreham	Essex	CM3 3AA	FH	
6621	Cock	The Green	Witney	Combe	Oxfordshire	OX29 8NT	FH	
4122	Cock	25 Church Street	Sandy	Gamlingay	Bedfordshire	SG19 3JH	FH	
1254	Cock	Bury Road	Newmarket	Kentford	Suffolk	CB8 7PR	FH	
8142	Cock	125 Kilburn High Road	London	Kilburn	GreaterLondon	NW6 6JH	FH	
2923	Cock	48 St Peters Street		St Albans	Hertfordshire	AL1 3NF	FH	
7686	Cock Horse	39 The Street	Maidstone	Detling	Kent	ME14 3JT	FH	
5566	Corner House	22 Sheet Street		Windsor	Berkshire	SL4 1BG	FH	
5609	Court Jester	13 Terminus Terrace		Southampton	Hampshire	SO14 3DT	FH	
1907	Cowdray Arms	London Road	Haywards Heath	Balcombe	WestSussex	RH17 6QD	FH	
5243	Crab & Pumpkin	23 Jackson Road		Clacton-On-Sea	Essex	CO15 1JA	FH	
8684	Cricketers	Curdridge Lane	Southampton	Curdridge	Hampshire	SO32 2BH	FH	Y
8219	Cricketers	23 Beaumont Hill		Dunmow	Essex	CM6 2AP	FH	Y
5402	Cricketers	12 Oxenden Road	Farnham	Tongham	Surrey	GU10 1AF	FH	
5398	Cricketers Arms	43 Ifley Road		Oxford	Oxfordshire	OX4 1EA	FH	
4677	Cricketers Inn	The Flat	Belper	Kilburn	Derbyshire	DE56 0LA	FH	
6624	Crispin	Burr Street	Didcot	Harwell	Oxfordshire	OX11 0DT	FH	
6625	Cross Keys	148 Ock Street		Abingdon	Oxfordshire	OX14 5DT	FH	
4093	Cross Keys	77 Ermine Street	Cambridge	Caxton	Cambridgeshire	CB3 8PQ	FH	
5405	Cross Keys	Church Road	Reading	Pangbourne	Berkshire	RG8 7AR	FH	
8220	Cross Keys	The Street	Diss	Redgrave	Suffolk	IP22 1RW	FH	
8221	Cross Keys	1 The Street	Witham	White Notley	Essex	CM8 1RQ	FH	
4679	Cross Keys	Main Street	Nottingham	Epperstone	Nottinghamshire	NG14 6AD	FH	
5408	Crown	Loxwood Road	Cranleigh	Alfold	Surrey	GU6 8ET	FH	
1042	Crown	69 Crown Street		Brandon	Suffolk	IP27 0JU	FH	
5410	Crown	Burchetts Green Road	Maidenhead	Burchetts Green	Berkshire	SL6 6QZ	FH	
2900	Crown	140 Whyke Road		Chichester	WestSussex	PO19 8HT	FH	Y
1152	Crown	Crown Road	Fakenham	Colkirk	Norfolk	NR21 7AA	FH	
6438	Crown	Market Hill	Woodbridge	Framlingham	Suffolk	IP13 9AP	FH	Y
4601	Crown	40 Market Square		Harlow	Essex	CM17 0AQ	FH	
8686	Crown	29 High Street		Littlehampton	WestSussex	BN17 5EG	FH	
1908	Crown	22 Church Road	Lewes	Newick	EastSussex	BN8 4JX	FH	
6627	Crown	Thame Road	Oxford	Stadhampton	Oxfordshire	OX44 7TX	FH	Y
4283	Crown	39 The Green	Hitchin	Stoffold	Hertfordshire	SG5 4AL	FH	
5415	Crown	The Street	Reading	Swallowfield	Berkshire	RG7 1QY	FH	
4314	Crown	17 Station Road	Bedford	Willington	Bedfordshire	MK44 3QH	FH	
5246	Crown & Anchor	Marine Parade		Eastbourne	EastSussex	BN21 3DX	FH	
4682	Crown & Arrows	Sinfin Avenue		Derby	Derbyshire	DE24 9JA	FH	
4683	Crown & Cushion	45 Ashby Square		Loughborough	Leicestershire	LE11 0AA	FH	

6629	Crown & Thistle	132 Old Road	Oxford	Headington	Oxfordshire	OX3 8SX	FH	
4685	Crown Inn	48 Nottingham Road	Nottingham	Selston	Nottinghamshire	NG16 6DE	FH	
4687	Derwent Hotel	Derby Road	Matlock	Whatstandwell	Derbyshire	DE4 5HG	FH	Y
1308	Dog	Ixworth Road	Bury St Edmunds	Norton	Suffolk	IP31 3LP	FH	
1268	Dog & Duck	63 High Street	Cambridge	Linton	Cambridgeshire	CB1 6HS	FH	
8223	Dog & Partridge	Main Road	Chelmsford	Great Leighs	Essex	CM3 1NE	FH	Y
1910	Duke	48 Duke Road		St Leonards-On-Sea	EastSussex	TN37 7DN	FH	
4627	Duke of Connaught	165 Arthur Road		Windsor	Berkshire	SL4 1RZ	FH	
8615	Duke of Monmouth	260 Abingdon Road		Oxford	Oxfordshire	OX1 4TA	FH	
3536	Duke of Normandy	Guildford Road	Guildford	Normandy	Surrey	GU3 2AU	FH	Y
4693	Duke Of Sussex	Alfreton Road		Sutton in Ashfield	Nottinghamshire	NG17 1JN	FH	
8689	Duke of Wellington	Church Street	Wellingborough	Stanwick	Northamptonshire	NN9 6PS	FH	Y
1506	Duke of York	47 Rathbone Street	London	Bloomsbury	GreaterLondon	W1T 1NW	FH	
5422	Dukes Head	45 High Street		Sandhurst	Berkshire	GU47 8EB	FH	
1563	Dukes Head	2 Upper Village Road	Ascot	Sunninghill	Berkshire	SL5 7AG	FH	
8616	Durham Ox	Shrewley Common	Warwick	Shrewley	Warwickshire	CV35 7AY	FH	
1031	Eagle	192 Coggeshall Road		Braintree	Essex	CM7 9ER	FH	
8226	Eagle	Stock Road		Chelmsford	Essex	CM2 8PS	FH	
1105	Earl of Derby	129 Hills Road		Cambridge	Cambridgeshire	CB2 1PG	FH	
1490	Earl of Eldon	63 Brighton Road		South Croydon	Surrey	CR2 6ED	FH	
8690	Elephant & Castle	Amwell Lane	St Albans	Wheatthampstead	Hertfordshire	AL4 8EA	FH	
7724	Elm Tree		Ringwood	Hightown	Hampshire	BH24 3DY	FH	
5359	Endeavour	Simnel Street		Southampton	Hampshire	SO14 2BE	FH	
4002	Engine & Tender	3 Dunstable Street	Bedford	Amphill	Bedfordshire	MK45 2NJ	FH	
1070	Falcon	58 Risbygate Street		Bury St Edmunds	Suffolk	IP33 3AZ	FH	Y
4622	Falcon	72 Park Street		St Albans	Hertfordshire	AL2 2PW	FH	
4241	Falcon	New Street		St Neots	Cambridgeshire	PE19 1AE	FH	Y
6445	Falcon	7 High Street East	Oakham	Uppingham	Rutland	LE15 9PY	FH	
1431	Ferryboat	191 King Street		Norwich	Norfolk	NR1 2DF	FH	Y
1044	Five Bells	Market Hill		Brandon	Suffolk	IP27 0AA	FH	Y
1058	Five Bells	44 High Street	Cambridge	Burwell	Cambridgeshire	CB5 0HD	FH	
4102	Five Bells	1-3 Northill Road	Bedford	Cople	Bedfordshire	MK44 3TU	FH	Y
4149	Five Bells	101 High Street		Henlow	Bedfordshire	SG16 6AE	FH	
2625	Five Bells	Stanwell Road	Slough	Horton	Buckinghamshire	SL3 9PA	FH	
7754	Five Bells	68-70 Streatham High Road		Streatham	GreaterLondon	SW16 1DA	FH	Y
5430	Five Bells	Belmont	Newbury	Woodspeen	Berkshire	RG20 8BN	FH	Y
1457	Five Pointed Star	100 High Street		West Malling	Kent	ME19 6NE	FH	
2952	Fleece	Ripponden Bank	Halifax	Barkisland	WestYorkshire	HX4 0DJ	FH	
1146	Fleece	27 West Street	Colchester	Coggeshall	Essex	CO6 1NS	FH	
5431	Fleece	11 Church Green		Witney	Oxfordshire	OX28 4AZ	FH	Y
5432	Fleur De Lys	30 Main Road	Didcot	East Hagbourne	Oxfordshire	OX11 9LN	FH	
0433	Flintgate	139 Oatlands Drive		Weybridge	Surrey	KT13 9LA	FH	
8014	Flynn's Bar and Diner	128 The Broadway		Ealing	GreaterLondon	W13 0SY	FH	
4700	Foresters Arms	Main Street	Derby	Scropton	Derbyshire	DE65 5PP	FH	Y
4701	Foresters Arms	Main Street	Nottingham	Newthorpe	Nottinghamshire	NG16 2DN	FH	Y
8620	Fountain Inn	24 St Johns Road	Southampton	Hedge End	Hampshire	SO30 4AB	FH	Y
6448	Four Horseshoes	Wickham Road	Eye	Thornham Magna	Suffolk	IP23 8HD	FH	
4011	Fox		Buntingford	Aspenden	Hertfordshire	SG9 9PD	FH	
1071	Fox	1 Eastgate Street		Bury St Edmunds	Suffolk	IP33 1XX	FH	Y
5437	Fox	Hyde Road	Wantage	Denchworth	Oxfordshire	OX12 0DX	FH	
1168	Fox	Station Road	Bury St Edmunds	Elmswell	Suffolk	IP30 9HD	FH	
5439	Fox	21 Frensham Road	Farnham	Lower Bourne	Surrey	GU10 3PH	FH	
8697	Fox	Church Street	Market Harborough	Wilbarston	Leicestershire	LE16 8QG	FH	
8696	Fox & Duck	Arlesey Road	Hitchin	Stotfold	Hertfordshire	SG5 4HE	FH	
6449	Fox & Duck		Royston	Therfield	Hertfordshire	SG8 9PN	FH	Y
5436	Fox & Hounds	Church Road	Reading	Farley Hill	Berkshire	RG7 1UB	FH	
4166	Fox & Hounds	18 High Street	Bedford	Kempston	Bedfordshire	MK42 7AR	FH	
3557	Fox & Hounds		Westerham	Toys Hill	Kent	TN16 1QG	FH	
4703	Fox & Hounds	Calverton Road	Mansfield	Blidworth	Nottinghamshire	NG21 0NW	FH	
1123	Free Press	7 Prospect Row		Cambridge	Cambridgeshire	CB1 1DU	FH	
1863	Freelands Tavern	31 Freelands Road		Bromley	Kent	BR1 3HZ	FH	
8699	Freemantle Arms	31 Albany Road		Southampton	Hampshire	SO15 3EF	FH	Y
6451	French Horn	Church End	Bedford	Steppingley	Bedfordshire	MK45 5AU	FH	
4706	Furnace Inn	9 Duke Street		Derby	Derbyshire	DE1 3BX	FH	
0087	Gardeners Arms	184 Wellingborough Road		Northampton	Northamptonshire	NN1 4EB	FH	Y
4190	Gardeners Call	151 High Town Road		Luton	Bedfordshire	LU2 0BX	FH	
4707	Gardeners Inn	Awsorth Lane	Nottingham	Cossall	Nottinghamshire	NG16 2RZ	FH	
6647	Gardiner Arms	93 Medcroft Road	Kidlington	Tackley	Oxfordshire	OX5 3AH	FH	Y
4709	Gate Inn	Main Street		Kimberley	Nottinghamshire	NG16 2NL	FH	
1942	Gemini	Sandy Lane		Dereham	Norfolk	NR19 2EA	FH	
3559	General Wolfe	High Street		Westerham	Kent	TN16 1RQ	FH	
8621	George	George Yard, High Street		Andover	Hampshire	SP10 1PD	FH	Y
4012	George	High Street	Cambridge	Babraham	Cambridgeshire	CB2 4AG	FH	
7780	George	14 Bridge Street		Fordingbridge	Hampshire	SP6 1AH	FH	
4050	George & Dragon	39 Mill Street		Bedford	Bedfordshire	MK40 3EU	FH	
4114	George & Dragon	267 Great North Road	St Neots	Eaton Socon	Cambridgeshire	PE19 8BL	FH	
1279	George & Dragon	Hall Street	Sudbury	Long Melford	Suffolk	CO10 9JA	FH	
4337	George & Dragon	2 King Street	Sandy	Potton	Bedfordshire	SG19 2OT	FH	
5444	George & Dragon	4 Church Street	Abingdon	Sutton Courtenay	Oxfordshire	OX14 4NJ	FH	
4303	George & Dragon	82 High Street	Hertford	Watton-At-Stone	Hertfordshire	SG14 3TA	FH	
4713	George Hotel	Commercial Road	Buxton	Tideswell	Derbyshire	SK17 8NU	FH	Y
4191	George II	70 Bute Street		Luton	Bedfordshire	LU1 2EY	FH	
7788	Gillespies	Topping Street		Blackpool	Lancashire	FY1 3AA	FH	Y
7753	Glassblower	Foster Street		Stourbridge	WestMidlands	DY8 1EL	FH	Y

5354	Glasshouse	7 Crown Lane		High Wycombe	Buckinghamshire	HP11 2HF	FH	
5447	Gold Cup	102 Fernbank Road		Ascot	Berkshire	SL5 8JN	FH	
6650	Golden Ball	2 College Lane	Oxford	Littlemore	Oxfordshire	OX4 4LQ	FH	Y
2710	Golden Cross	Poyle Road	Slough	Colnbrook	Middlesex	SL3 0BN	FH	
1418	Golden Star	57 Colegate		Norwich	Norfolk	NR3 1DD	FH	
7797	Grafton Arms	72 Grafton Way	London	Euston	GreaterLondon	W1T 5DU	FH	
1108	Grapes	19 Histon Road		Cambridge	Cambridgeshire	CB4 3JB	FH	Y
4719	Greasley Castle	Castle Street	Nottingham	Eastwood	Nottinghamshire	NG16 3GW	FH	
1023	Green Dragon	Upper London Road	Braintree	Youngs End	Essex	CM77 8ON	FH	
4099	Green Man	The Green	Bedford	Clophill	Bedfordshire	MK45 4AD	FH	
8231	Green Man	Main Street, Howe Street	Chelmsford	Great Waltham	Essex	CM3 1BG	FH	
1915	Green Man	The Green	Haywards Heath	Horsted Keynes	WestSussex	RH17 7AS	FH	
4180	Green Man	High Street	Bedford	Lidlington	Bedfordshire	MK43 0RN	FH	
8232	Green Man	Green Man Lane	Witham	Little Braxted	Essex	CM8 3LB	FH	
4257	Green Man	Dunsbridge Turnpike	Royston	Shepreth	Hertfordshire	SG8 6RA	FH	
8233	Green Man	The Street	Bishops Stortford	Takeley	Essex	CM22 6OU	FH	
5452	Grenfell Arms	22 Oldfield Road		Maidenhead	Berkshire	SL6 1TW	FH	
1074	Greyhound	28 Eastgate Street		Bury St Edmunds	Suffolk	IP33 1YQ	FH	
4722	Greyhound	34 Market Place	Matlock	Cromford	Derbyshire	DE4 3QE	FH	
4146	Greyhound	2 High Street	Milton Keynes	Haversham	Buckinghamshire	MK19 7DT	FH	
4147	Greyhound	68 Northwood End Road	Bedford	Haynes	Bedfordshire	MK45 3OD	FH	
1249	Greyhound	49 High Street	Bury St Edmunds	Ixworth	Suffolk	IP31 2HJ	FH	
1263	Greyhound	97 High Street	Sudbury	Lavenham	Suffolk	CO10 9PZ	FH	
5454	Greyhound	Main Street	Wantage	Letcombe Regis	Oxfordshire	OX12 9JL	FH	Y
4167	Griffin	174 Bedford Road	Bedford	Kempston	Bedfordshire	MK42 8BL	FH	Y
4724	Grouse Inn	Dale Road North	Matlock	Darley Dale	Derbyshire	DE4 2FT	FH	
7803	Half Moon	The Square		Retford	Nottinghamshire	DN22 6DQ	FH	Y
3547	Halfway House	London Road		Sevenoaks	Kent	TN13 2JD	FH	
0076	Halley's Comet	101 Bradwell Road	Milton Keynes	Bradville	Buckinghamshire	MK13 7AW	FH	
5456	Hampshire Arms	Pankridge Street	Farnham	Cron dall	Surrey	GU10 5OU	FH	
5457	Hand & Flowers	West Street		Marlow	Buckinghamshire	SL7 2BP	FH	Y
1459	Hare	Langton Road	Tunbridge Wells	Langton Green	Kent	TN3 0JA	FH	
1280	Hare	High Street	Sudbury	Long Melford	Suffolk	CO10 9DF	FH	
1265	Hare & Hounds	Harrow Street	Colchester	Leavenheath	Essex	CO6 4PW	FH	
6653	Harrow	The Drive	Chipping Norton	Enstone	Oxfordshire	OX7 4NF	FH	
5462	Hatch Gate	The Hatch	Reading	Burghfield	Berkshire	RG30 3TH	FH	
1518	Hatchet	28 Garlick Hill	London	London	GreaterLondon	EC4V 2BA	FH	
1916	High Brooms	102 High Brooms Road		Tunbridge Wells	Kent	TN4 9BQ	FH	
1966	Highwaymans Haunt		Newton Abbot	Chudleigh	Devon	TQ13 0DE	FH	Y
1584	Holbury Inn	63 Long Lane	Southampton	Holbury	Hampshire	SO45 2LG	FH	
7817	Hollington Oak	210 Wishingtree Road		St Leonards-On-Sea	EastSussex	TN38 9LB	FH	
5618	Holly Bush	106 Bridge Street		Oxford	Oxfordshire	OX2 0BD	FH	Y
4031	Hoops	1 School Lane	Cambridge	Barton	Cambridgeshire	CB3 7BD	FH	
4033	Hoops	74 High Street	Royston	Bassingbourn	Hertfordshire	SG8 5LF	FH	
4737	Hop Flower	Beeley Close	Chesterfield	Inkersall	Derbyshire	S43 3EB	FH	Y
1917	Hop Poles	13 Middle Street		Brighton	EastSussex	BN1 1AL	FH	Y
5468	Horns	Bowling Alley	Farnham	Cron dall	Surrey	GU10 5RJ	FH	
246	Hornsey Tavern	26 High Street	London	Hornsey	GreaterLondon	N8 7PB	FH	
1523	Horse & Groom	28 Curtain Road	London	Shoreditch	GreaterLondon	EC2A 3NZ	FH	
1355	Horse & Groom	35 East Street		Sudbury	Suffolk	CO10 2TU	FH	Y
5473	Horse & Jockey	25 Faringdon Road	Faringdon	Stanford-In-The-Vale	Oxfordshire	SN7 8NN	FH	
4522	Ickleton Lion	9 Abbey Street	Saffron Walden	Ickleton	Essex	CB10 1SS	FH	
2955	Imperial Vaults	44 King Street	Belper		Derbyshire	DE56 1PL	FH	
1039	Inn on the Green	111 Coldnailhurst Avenue		Braintree	Essex	CM7 5PZ	FH	
5544	Jack Beards	70 High Street	West Drayton	Yiewsley	Middlesex	UB7 7DS	FH	
4112	John Barleycorn	3 Moorfield Road	Cambridge	Duxford	Cambridgeshire	CB2 4PP	FH	
6656	Jolly Postboys	22 Florence Park Road		Oxford	Oxfordshire	OX4 3PH	FH	
5479	Jolly Sailor	64 West Street		Farnham	Surrey	GU9 7EH	FH	
4741	Jolly Scotchman		Sleaford	Holdingham	Lincolnshire	NG34 8NP	FH	
1940	Jubilee Inn	91 Whiteway Road		Bath	Somerset	BA2 2RF	FH	
3213	Kensington Arms	35-36 Stanley Road	Bristol	Redland	Avon	BS6 6NP	FH	
6658	King & Queen	57 High Street	Oxford	Wheatley	Oxfordshire	OX33 1XT	FH	
8709	King Alfred	11 Saxon Road		Winchester	Hampshire	SO23 7DJ	FH	
3888	King Stag	15 Bournehall Road	Watford	Bushey	Hertfordshire	WD23 3EH	FH	Y
1450	King William IV	High Street	Huntingdon	Fenstanton	Cambridgeshire	PE28 9JF	FH	
3538	King William IV	87 Hastings Road	Tunbridge Wells	Pembury	Kent	TN2 4JS	FH	Y
2666	King William IV	392 Sipson Road	West Drayton	Sipson	Middlesex	UB7 0HT	FH	Y
4052	Kings Arms	24 St Marys Street		Bedford	Bedfordshire	MK42 0AS	FH	
4830	Kings Arms	24 Coppice Hill		Bradford-On-Avon	Wiltshire	BA15 1JT	FH	
1218	Kings Arms	3 Old Street	Stowmarket	Haughley	Suffolk	IP14 3NT	FH	
1969	Kings Arms		Radstock	Litton	Somerset	BA3 4PW	FH	
6473	Kings Arms	49 Bishopston		Montacute	Somerset	TA15 6UU	FH	Y
6472	Kings Arms & Chapter House	9-13 St Johns Street		Salisbury	Wiltshire	SP1 2SB	FH	
1200	Kings Head	115 Bures Road	Sudbury	Great Cornard	Suffolk	CO10 0JE	FH	
8710	Kings Head	188 Wycombe Road	Great Missenden	Prestwood	Buckinghamshire	HP16 0HJ	FH	
2626	Kingsfield Arms	111 Bessborough Road		Harrow	Middlesex	HA1 3DF	FH	
1920	Lamb	10 Fisher Street		Lewes	EastSussex	BN7 2DG	FH	
7841	Lambton Arms	Rockcliffe Way	Gateshead	Eighton Banks	TyneandWear	NE9 7XR	FH	Y
8712	Langton Arms	Main Street	Market Harborough	Church Langton	Leicestershire	LE16 7SY	FH	
4749	Larks Nest	Larkfield Road		Nuthall	Nottinghamshire	NG16 1ET	FH	
1921	Laughing Fish	Station Road	Uckfield	Isfield	EastSussex	TN22 5XB	FH	
4181	Lilley Arms	41 West Street	Luton	Lilley	Bedfordshire	LU2 8LN	FH	
1432	Lillie Langtry	79 Unthank Road		Norwich	Norfolk	NR2 2PE	FH	

4752	Lincolnshire Poacher	211 Eastgate		Louth	Lincolnshire	LN11 8DD	FH	
1085	Linden Tree	Out Northgate		Bury St Edmunds	Suffolk	IP33 1JQ	FH	Y
8238	Lion & Lamb	Stortford Road	Dunmow	Little Canfield	Essex	CM6 1SR	FH	
1256	London Porter House	78 London Road		Kings Lynn	Norfolk	PE30 5EU	FH	
6666	Lord Kitchener	Lew Road	Witney	Curbridge	Oxfordshire	OX29 7PD	FH	
8631	Lord Nelson	58 Main Road	Bristol	Cleeve	Somerset	BS49 4NR	FH	
4758	Lord Nelson	Percy Street		Basford	Nottinghamshire	NG6 0GE	FH	Y
4759	Lord Nelson	Arundel Street		Sheffield	SouthYorkshire	S1 4RE	FH	
6014	Lord Palmerston	197 Philip Lane	London	Tottenham	GreaterLondon	N15 4HQ	FH	
4344	Lord Wolseley	55 White Lion Street	London	Islington	GreaterLondon	N1 9PP	FH	
5497	Lower Bell	201 Chatham Road	Aylesford	Blue Bell Hill	Kent	ME20 7EF	FH	
4763	Lurcher	Westbrook Drive		Rainworth	Nottinghamshire	NG21 0FB	FH	Y
1297	Maids Head	9 Kingsway	Bury St Edmunds	Mildenhall	Suffolk	IP28 7HN	FH	
8716	Mailmans Arms	71 High Street		Lyndhurst	Hampshire	SO43 7BE	FH	Y
1356	Maldon Grey	Cats Lane		Sudbury	Suffolk	CO10 2RZ	FH	
7852	Malt Shovel	Wembdon Road		Bridgwater	Somerset	TA6 7DN	FH	
4338	Maltsters Arms	2 London Road	Romford	Abridge	Essex	RM4 1UX	FH	
8632	Man in Space	Pynne Road		Bristol	Somerset	BS14 8QJ	FH	
1335	Marquis of Granby	94 High Street	Newmarket	Stetchworth	Suffolk	CB8 9TJ	FH	
4272	Marquis of Lorne	132 High Street		Stevenage	Hertfordshire	SG1 3DB	FH	
1079	Masons Arms	14 Whiting Street		Bury St Edmunds	Suffolk	IP33 1NX	FH	
1519	Mayflower	117 Rotherhithe Street	London	Rotherhithe	GreaterLondon	SE16 4NF	FH	
3532	Mayford Arms	Guildford Road	Woking	Mayford	Surrey	GU22 9QT	FH	
3330	Maypole	26A High Street	Bristol	Hanham	Gloucestershire	BS15 3DP	FH	
5502	Mermaid	78 High Street		Burford	Oxfordshire	OX18 4OF	FH	
5503	Metropolitan	56 Rose Street		Wokingham	Berkshire	RG40 1XU	FH	Y
9720	Midland	29 Station Road	London	Hendon	GreaterLondon	NW4 4PN	FH	
7863	Miller of Mansfield	96-101 Snowfields		Bermondsey	GreaterLondon	SE1 3SS	FH	
1562	Millwrights	83 Walton Road		Aylesbury	Buckinghamshire	HP21 7SN	FH	Y
5506	Mole	Ramsdell Road	Tadley	Monk Sherbourne	Hampshire	RG26 5HS	FH	
4773	Moot House	Bowland Road		Bingham	Nottinghamshire	NG13 8RW	FH	Y
4259	Musgrave Arms	16 Apsley End Road	Hitchin	Shillington	Hertfordshire	SG5 3LX	FH	
4506	Nags Head	The Ford	Ware	Little Hadham	Hertfordshire	SG11 2AX	FH	
4778	Nags Head	Chesterfield Road		Pleasley	Nottinghamshire	NG19 7PA	FH	
4302	Nascot Arms	11 Stamford Road		Watford	Hertfordshire	WD17 4QS	FH	
4237	Nelsons Head	7 Merryland		St Ives	Cambridgeshire	PE27 5ED	FH	
4349	New Inn	2 Allitsen Road	London	St Johns Wood	GreaterLondon	NW8 6LA	FH	Y
8720	New Inn	Chapel Road	Southampton	Swanmore	Hampshire	SO32 2QB	FH	
1923	New Inn	German Street		Winchelsea	EastSussex	TN36 4EN	FH	
4324	New Inn	1 Rushden Road	Rushden	Wymington	Northamptonshire	NN10 9LN	FH	
2963	New Queen	Lower Mickleton	Leeds	Methley	WestYorkshire	LS26 9AN	FH	
1306	New Wellington	81 Cheveley Road		Newmarket	Suffolk	CB8 8AD	FH	
4788	New White Bull	519 Nottingham Road		Giltbrook	Nottinghamshire	NG16 2GS	FH	Y
5270	New York Exchange Bar	24-26 Falcon Street		Ipswich	Suffolk	IP1 1SL	FH	
1078	No. 3	3 Risbygate Street		Bury St Edmunds	Suffolk	IP33 3AA	FH	
4260	Noah's Ark	Hillfoot Road	Hitchin	Shillington	Hertfordshire	SG5 3NS	FH	Y
1082	Nutshell	17 The Traverse		Bury St Edmunds	Suffolk	IP33 1BJ	FH	Y
6486	Old Beams Inn		Ringwood	Ibsley	Hampshire	BH24 3PP	FH	Y
6672	Old Bookbinders	17-18 Victor Street		Oxford	Oxfordshire	OX2 6BT	FH	
3483	Old Crown	1 Crown Hill		Bath	Somerset	BA1 4BP	FH	
4126	Old Crown	89 High Street	Cambridge	Girton	Cambridgeshire	CB3 0QD	FH	
8243	Old Crown	Lodge Road	Colchester	Messing	Essex	CO5 9TU	FH	
4261	Old George	High Street	Bedford	Silsoe	Bedfordshire	MK45 4EP	FH	
1975	Old Green Man	Watling Street	Milton Keynes	Little Brickhill	Buckinghamshire	MK17 9LU	FH	
7882	Old Grindstone	3 Crookes		Sheffield	SouthYorkshire	S10 1UA	FH	
4793	Old Heavy Gate Inn	114 Matlock Road		Sheffield	SouthYorkshire	S6 3RQ	FH	
6490	Old Mill House	The Green	Woodbridge	Saxtead	Suffolk	IP13 9QE	FH	
7885	Old Peacock	Elland Road		Leeds	WestYorkshire	LS11 8TU	FH	Y
6492	Old Red Lion	Linton Road		Horseheath	Cambridgeshire	CB1 6QF	FH	
4023	Orange Tree	Norton Road		Baldock	Hertfordshire	SG7 5AW	FH	
4003	Ossory Arms	9 Arthur Street	Bedford	Amphill	Bedfordshire	MK45 2QQ	FH	
1128	Ostrich	Stocks Green	Kings Lynn	Castle Acre	Norfolk	PE32 2AE	FH	
4798	Outpost	Union Street		Barnsley	SouthYorkshire	S70 1JJ	FH	Y
5275	Ox	15 Oxford Road		Abingdon	Oxfordshire	OX14 2ED	FH	
4053	Paddington	157 Midland Road		Bedford	Bedfordshire	MK40 1DW	FH	Y
6494	Palmer Arms	Village Road	Windsor	Dorney	Berkshire	SL4 6QW	FH	
1463	Panther	50 Croydon Road		Reigate	Surrey	RH2 0NH	FH	Y
4833	Park Tavern	Nuthall Road	Nottingham	Cinderhill	Nottinghamshire	NG8 6AD	FH	
8645	Pensioners Arms	29 Carlton Place		Southampton	Hampshire	SO15 2DX	FH	
3524	Percy Arms	75 Dorking Road	Guildford	Chilworth	Surrey	GU4 8NP	FH	
5278	Phoenix	43 Church Street		Staines	Middlesex	TW18 4EN	FH	
7899	Pied Bull	5 Bulls Cross		Enfield	Middlesex	EN2 9HE	FH	Y
5519	Plough	Eaton Road	Abingdon	Appleton	Oxfordshire	OX13 5JR	FH	
4111	Plough	5 Datchworth Green	Knebworth	Datchworth	Hertfordshire	SG3 6TL	FH	
4133	Plough	High Street	Saffron Walden	Great Chesterford	Essex	CB10 1PL	FH	
6680	Plough	37 First Turn		Oxford	Oxfordshire	OX2 8AH	FH	Y
4838	Plough & Harrow	High Street		Hucknall	Nottinghamshire	NG15 7HJ	FH	
4839	Plough Inn	1 Station Street		Ashbourne	Derbyshire	DE6 1DE	FH	Y
4840	Plough Inn	Market Place	Grimsby	Tetney	Lincolnshire	DN36 5NN	FH	
4328	Plume of Feathers	Stevenage Road	Hitchin	Little Wymondley	Hertfordshire	SG4 7HY	FH	Y
4225	Polhill Arms	25 Wilden Road	Bedford	Renhold	Bedfordshire	MK41 0JP	FH	
6681	Port Mahon	82 St Clements Street		Oxford	Oxfordshire	OX4 1AW	FH	
4841	Portland Arms	Portland Road		Nottingham	Nottinghamshire	NG7 4GN	FH	

5569	Priory	58 Milson Road	London	Kensington	GreaterLondon	W14 0LB	FH	Y
5529	Punch Bowl	Market Place		Abingdon	Oxfordshire	OX14 3HG	FH	Y
2967	Queens Arms	Main Street	Hexham	Acomb	Northumberland	NE46 4PT	FH	
5533	Queens Arms	2 Manor Road		Didcot	Oxfordshire	OX11 7JY	FH	Y
5534	Queens Arms	Great Knollys Street		Reading	Berkshire	RG1 7HL	FH	
1035	Queens Head	140 Rayne Road		Braintree	Essex	CM7 2QR	FH	
4121	Queens Head	Long Lane	Royston	Fowlmere	Hertfordshire	SG8 7SZ	FH	
4143	Queens Head	48 Royston Road	Cambridge	Harston	Cambridgeshire	CB2 5NH	FH	
5535	Queens Head	London Road	Alton	Holybourne	Hampshire	GU34 4EG	FH	
8731	Queens Head	High Street	Saffron Walden	Littlebury	Essex	CB11 4TD	FH	Y
5539	Queens Head	High Street	Maidstone	Sutton Valence	Kent	ME17 3AG	FH	
5540	Queens Head	23 The Terrace		Wokingham	Berkshire	RG40 1BP	FH	
4844	Queens Head	131 Alfreton Road		Little Eaton	Derbyshire	DE21 5DF	FH	
7917	Queens Larder	1 Queen Square		Holborn	GreaterLondon	WC1N 3AR	FH	
7922	Railway	College Street		Burnham-On-Sea	Somerset	TA8 1AS	FH	
1169	Railway Tavern	School Road	Bury St Edmunds	Elmswell	Suffolk	IP30 9EE	FH	
1210	Ram	5 Market Place	Ipswich	Hadleigh	Suffolk	IP7 5DL	FH	
4848	Ram Inn	Beauvale Road		Newthorpe	Nottinghamshire	NG16 2EY	FH	Y
7925	Raven	32 South Road	Liverpool	Waterloo	Merseyside	L22 5PQ	FH	
8734	Red Cow	59-60 High Street		Market Harborough	Leicestershire	LE16 7AF	FH	
5543	Red Cow	14 The Green	High Wycombe	Wooburn Green	Buckinghamshire	HP10 0EF	FH	Y
4173	Red Lion	16 Chapel Road	Hitchin	Breachwood Green	Hertfordshire	SG4 8NU	FH	
4610	Red Lion	27 Church Street	Aylesbury	Brill	Buckinghamshire	HP18 9RT	FH	
8247	Red Lion	147 New London Road		Chelmsford	Essex	CM2 0AA	FH	
2968	Red Lion	56-57 Middle Street North		Driffield	EastRidingYorkshire	YO25 6SS	FH	
8248	Red Lion	The Street	Colchester	East Bergholt	Essex	CO7 6TB	FH	
6687	Red Lion	The Square	Witney	Eynsham	Oxfordshire	OX29 4HW	FH	
8249	Red Lion	Church Hill	Braintree	Finchingfield	Essex	CM7 4NN	FH	
8251	Red Lion	Main Road	Ingatstone	Margaretting	Essex	CM4 0EQ	FH	
8735	Red Lion	South End	Milton Keynes	Milton Bryan	Buckinghamshire	MK17 9HS	FH	
4853	Red Lion	Derby Road		Sandiacre	Nottinghamshire	NG10 5HW	FH	Y
6074	Red Lion	265 High Street		Sutton	Surrey	SM1 1LD	FH	
7934	Red Lion	North Street		Wareham	Dorset	BH20 4AB	FH	
4306	Red Lion	Damask Green Road	Hitchin	Weston	Hertfordshire	SG4 7DA	FH	
5549	Red Lion	Goring Road	Reading	Woodcote	Berkshire	RG8 0SD	FH	
4850	Red Lion	Grantham Road		Bottesford	Nottinghamshire	NG13 0DF	FH	
4851	Red Lion	Front Street		Fritchley	Derbyshire	DE56 2FT	FH	Y
4852	Red Lion	Greenhill Lane	Alfreton	Riddings	Derbyshire	DE55 4EX	FH	Y
8736	Richmond	108 Portwood Road		Southampton	Hampshire	SO17 2FW	FH	Y
3549	Rifleman	30 Camden Road		Sevenoaks	Kent	TN13 3LZ	FH	
4854	Ring O Bells	High Street	Barnsley	Silkstone	SouthYorkshire	S75 4LR	FH	
1130	Rising Sun	71 Nunnery Street	Halstead	Castle Hedingham	Essex	CO9 3DP	FH	
3529	Rising Sun	29 High Street	Hampton	Hampton Hill	Middlesex	TW12 1NB	FH	
2970	Riverside	3 Mill Dam		South Shields	TyneandWear	NE33 1EQ	FH	
8739	Robin Hood		Buckingham	Bufflers Holt	Buckinghamshire	MK18 5DN	FH	
5554	Robin Hood	Furze Platt Road		Maidenhead	Berkshire	SL6 6PR	FH	
5555	Robin Hood	81 Hailey Road		Witney	Oxfordshire	OX28 1HJ	FH	
5556	Roebuck	St Marks Road	Bracknell	Bunfield	Berkshire	RG42 4AJ	FH	Y
5283	Roebuck	37 Auckland Road		Reading	Berkshire	RG6 1NY	FH	Y
4502	Rose & Crown	16 Station Road		Bishops Stortford	Hertfordshire	CM23 3BL	FH	
5558	Rose & Crown	Main Street	Banbury	Charlton	Oxfordshire	OX17 3DP	FH	
5559	Rose & Crown	Main Street	Didcot	Chilton	Oxfordshire	OX11 0RZ	FH	
1203	Rose & Crown	Nayland Road	Colchester	Great Horkesley	Essex	CO6 4AH	FH	
8252	Rose & Crown	31 Mill End		Thaxted	Essex	CM6 2LT	FH	
5562	Rose & Crown	Woodside Road	Windsor	Winkfield	Berkshire	SL4 2DP	FH	
4859	Rose & Crown	Shrewsbury Road	Sheffield	Penistone	SouthYorkshire	S36 6DY	FH	
5563	Rose & Olive Branch	Callow Hill		Virginia Water	Surrey	GU25 4LH	FH	
4612	Rose & Thistle	6 Station Road	Aylesbury	Haddenham	Buckinghamshire	HP17 8AJ	FH	Y
4861	Royal Forester	Victoria Park Road		Buxton	Derbyshire	SK17 7PE	FH	
2971	Royal George Tavern	11-13 Main Street		Shildon	Durham	DL4 1AJ	FH	
5568	Royal Hunt	177 New Road		Ascot	Berkshire	SL5 8PU	FH	
5572	Royal Oak	19 Station Road		Ascot	Berkshire	SL5 0QL	FH	
1538	Royal Oak	265 Kingston Road		Leatherhead	Surrey	KT22 7PJ	FH	
1621	Royal Oak	3 Station Road		Lewes	EastSussex	BN7 2DA	FH	Y
8253	Royal Oak	99 High Street		Ongar	Essex	CM5 9DX	FH	
5570	Royal Oak	39 School Green	Reading	Shinfield	Berkshire	RG2 9EE	FH	Y
5571	Royal Oak	Hungerford Lane	Reading	Shurlock Row	Berkshire	RG10 0NY	FH	
4317	Royal Oak	40 George Street	Milton Keynes	Woburn	Bedfordshire	MK17 9PY	FH	
5573	Royal Oak	59 The Street	Farnham	Wrecclesham	Surrey	GU10 4QS	FH	Y
1495	Royal Standard	180 High Street	London	Colliers Wood	GreaterLondon	SW19 2BN	FH	Y
5576	Running Stream	66 Weybourne Road		Farnham	Surrey	GU9 9HE	FH	
6507	Saffron Hotel	8-12 High Street		Saffron Walden	Essex	CB10 1AZ	FH	Y
8743	Salisbury Arms	126 Shirley High Street		Southampton	Hampshire	SO16 4EZ	FH	Y
4078	Salutation	20 High Street	Bedford	Blunham	Bedfordshire	MK44 3NL	FH	
5578	Saracens Head	38 Whielden Street		Amersham	Buckinghamshire	HP7 0HU	FH	
6508	Saracens Head	Market Place		Southwell	Nottinghamshire	NG25 0HE	FH	
4868	Saracens Head	Church Lane	Ashbourne	Shirley	Derbyshire	DE6 3AS	FH	
1928	Schooner	146 Albion Street	Brighton	Southwick	WestSussex	BN42 4AU	FH	
6511	Sculthorpe Mill	Lynn Road	Fakenham	Sculthorpe	Norfolk	NR21 9QG	FH	
1121	Seven Stars	249 Newmarket Road		Cambridge	Cambridgeshire	CB5 8JE	FH	
1309	Shepherd & Dog	Lower Road	Stowmarket	Onehouse	Suffolk	IP14 3BX	FH	
4871	Sherwood Ranger	Chapel Lane		Ravenshead	Nottinghamshire	NG15 9DH	FH	
8746	Ship	Whites Hill	Winchester	Owslebury	Hampshire	SO21 1LT	FH	Y
4872	Ship Inn	Sea Lane	Skegness	Ingoldmells	Lincolnshire	PE25 1NU	FH	Y

5583	Shoulder of Mutton		Reading	Playhatch	Berkshire	RG4 9QU	FH	
5104	Silver Jubilee	Heltwate	Peterborough	Bretton	Cambridgeshire	PE3 8RN	FH	Y
4876	Sir Colin Campbell	Old Wortley Road	Rotherham	Kimberworth	SouthYorkshire	S61 1NQ	FH	
4878	Sir William Hotel	Sir William Hill Road	Hope Valley	Grindleford	Derbyshire	S32 2HS	FH	Y
1174	Six Bells	Church Road	Bury St Edmunds	Felsham	Suffolk	IP30 0PJ	FH	
4170	Slaters Arms	97 Box End Road	Bedford	Kempston	Bedfordshire	MK43 8RS	FH	
1929	Sloop	Sloop Lane	Haywards Heath	Scaynes Hill	WestSussex	RH17 7NP	FH	Y
2973	Smiths Arms	1 Towngate	Huddersfield	Kirkburton	WestYorkshire	HD8 0QP	FH	Y
8747	Southampton Arms	Winchester Road		Andover	Hampshire	SP10 2EG	FH	
4290	Sow & Pigs	19 Church Square	Dunstable	Toddington	Bedfordshire	LU5 6AA	FH	Y
5588	Spread Eagle	Northcourt Road		Abingdon	Oxfordshire	OX14 1PL	FH	
5589	Squirrel	Squirrel Lane		High Wycombe	Buckinghamshire	HP12 4RZ	FH	
1478	Stag	63 High Street		Ascot	Berkshire	SL5 7HP	FH	Y
1583	Stag	69 High Street		Lyndhurst	Hampshire	SO43 7BE	FH	
1567	Stag & Hounds	The Broadway	Slough	Farnham Common	Buckinghamshire	SL2 3QQ	FH	
5590	Stag & Hounds	Wellington Avenue		Virginia Water	Surrey	GU25 4HU	FH	
0164	Stag & Pheasant	13 Lockhurst Lane		Coventry	Warwickshire	CV6 5PD	FH	
3521	Slanhope Arms	Church Road	Westerham	Brasted	Kent	TN16 1HZ	FH	
1930	Star	30 High Street	Cranbrook	Rolvenden	Kent	TN17 4LN	FH	
5594	Star	27 Reading Road	Reading	Pangbourne	Berkshire	RG8 7HY	FH	
1291	Stars	75 The Avenue		March	Cambridgeshire	PE15 9PS	FH	Y
2975	Station Hotel	11 Park Street		Pickering	NorthYorkshire	YO18 7AJ	FH	Y
8749	Steam Coach	86 St Johns Road		Hemel Hempstead	Hertfordshire	HP1 1NP	FH	Y
4201	Sugar Loaf	25 High Street	Shefford	Meppershall	Bedfordshire	SG17 5LX	FH	Y
5596	Sun	36 Charnham Street		Hungerford	Berkshire	RG17 0EJ	FH	
4886	Sun Inn	Town Street		Pinxton	Nottinghamshire	NG16 6JP	FH	
1931	Sussex Yeoman	7 Guildford Road		Brighton	EastSussex	BN1 3LU	FH	
6520	Swan	1 Church Street		Bradford-On-Avon	Wiltshire	BA15 1LN	FH	Y
1054	Swan	1 Station Hill		Bures	Suffolk	CO8 5DD	FH	
4107	Swan	2 Court Road	Bedford	Cranfield	Bedfordshire	MK43 0DR	FH	
5597	Swan	High Street	Newbury	East Ilsley	Berkshire	RG20 7LF	FH	
1282	Swan	Hall Street	Sudbury	Long Melford	Suffolk	CO10 9JQ	FH	Y
1443	Swan	High Street	Stowmarket	Needham Market	Suffolk	IP6 8AL	FH	
5599	Swan		Bampton	Radcot	Oxfordshire	OX18 2SX	FH	
4090	Tally Ho	77 High Street	Cambridge	Trumpington	Cambridgeshire	CB2 2HZ	FH	Y
1520	Tankard	178 Walworth Road	London	Southwark	GreaterLondon	SE17 1JL	FH	
6100	Tapestry	1 Lower Richmond Road	London	Mortlake	GreaterLondon	SW14 7EZ	FH	
6022	Tavern	75 Cricklewood Lane	London	Cricklewood	GreaterLondon	NW2 1HR	FH	
1426	Ten Bells	74-78 St Benedicts Street		Norwich	Norfolk	NR2 4AR	FH	
5372	Terriers	133 Amersham Road		High Wycombe	Buckinghamshire	HP13 5AD	FH	
1138	Tharp Arms	46 High Street	Ely	Chippenham	Cambridgeshire	CB7 5PR	FH	
2440	Thatched House	Exwick Road		Exeter	Devon	EX4 2BQ	FH	
8262	Thomas Eldred	97 Cedercroft Road		Ipswich	Suffolk	IP1 6BG	FH	
6524	Three Cranes	High Street		Turvey	Bedfordshire	MK43 8EP	FH	Y
4060	Three Cups	45 Newnham Street		Bedford	Bedfordshire	MK40 3JR	FH	Y
5605	Three Elms	Clarence Road		Windsor	Berkshire	SL4 3QL	FH	
4892	Three Horse Shoes	11 Derby Road		Ilkeston	Derbyshire	DE7 5FH	FH	
1013	Three Horseshoes	17 The Street	Bury St Edmunds	Barrow	Suffolk	IP29 5AP	FH	
4144	Three Horseshoes	21 High Street	Cambridge	Harston	Cambridgeshire	CB2 5PX	FH	
4152	Three Horseshoes	74 High Street	Baldock	Hinxworth	Hertfordshire	SG7 5HQ	FH	
1180	Three Kings	Hengrave Road	Bury St Edmunds	Fornham All Saints	Suffolk	IP28 6LA	FH	Y
2476	Three Kings	6 Station Road	Ely	Haddenham	Cambridgeshire	CB6 3XD	FH	
4021	Three Tuns	6 High Street	Baldock	Ashwell	Hertfordshire	SG7 5NL	FH	Y
4063	Three Tuns	57 Main Road	Bedford	Biddenham	Bedfordshire	MK40 4BD	FH	
4135	Three Tuns	High Street	Buntingford	Great Horstead	Hertfordshire	SG9 0NT	FH	
4313	Three Tuns	43 Church Street	Cambridge	Willingham	Cambridgeshire	CB4 5HS	FH	Y
4500	Three Willows	Birchanger Lane	Bishops Stortford	Birchanger	Hertfordshire	CM23 5QT	FH	
4059	Tiger Moth	20 Avon Drive		Bedford	Bedfordshire	MK41 7AF	FH	Y
1093	Tollgate	142 Fornham Road		Bury St Edmunds	Suffolk	IP32 6AX	FH	
1529	Tollington Arms	115 Hornsey Road	London	Holloway	GreaterLondon	N7 6DN	FH	Y
8264	Trafalgar	616 Main Road		Harwich	Essex	CO12 4LW	FH	
4898	Travellers Rest	56 Westgate	Doncaster	Tickhill	SouthYorkshire	DN11 9NQ	FH	
4897	Travellers Rest	Brookhouse	Sheffield	Laughton	SouthYorkshire	S25 1YA	FH	
8753	Trout	Main Road	Winchester	Itchen Abbas	Hampshire	SO21 1BQ	FH	Y
2977	Tudor Hotel	Gatherley Road	Richmond	Brompton-on-Swale	NorthYorkshire	DL10 7JF	FH	
6076	Twelve Bells	2 Seymour Road		Trowbridge	Wiltshire	BA14 8LS	FH	Y
1135	Unicorn	15 High Street	Cambridge	Cherry Hinton	Cambridgeshire	CB1 9HX	FH	
4161	Victoria	1 Ickleford Road		Hitchin	Hertfordshire	SG5 1TJ	FH	
4236	Victory	1 Little Walden Road		Saffron Walden	Essex	CB10 2DZ	FH	
8261	Vine Inn	Vine Street	Braintree	Great Bardfield	Essex	CM7 4SR	FH	
4902	Waggon & Horses	22 Chapel Street		Kirkby-in-Ashfield	Nottinghamshire	NG17 8JZ	FH	
1270	Waggon & Horses	110 High Street	Cambridge	Linton	Cambridgeshire	CB1 6JT	FH	
8012	Waggon & Horses	34-36 High Street		Newmarket	Suffolk	CB8 8LB	FH	
5617	Walnut Tree	Hedsor Road		Bourne End	Buckinghamshire	SL8 5DN	FH	
5303	Warwick	77-79 Kings Road		Reading	Berkshire	RG1 3DD	FH	
5620	Watermans Arms	1 Ferry Lane		Brenford	Middlesex	TW8 0AW	FH	
5621	Watermans Arms	7 South Street		Oxford	Oxfordshire	OX2 0BE	FH	
5304	Waterwitch	Cockcroft Road		Didcot	Oxfordshire	OX11 8LL	FH	
4319	Weathercock	Station Road	Milton Keynes	Woburn Sands	Buckinghamshire	MK17 8SH	FH	
1014	Weeping Willow	39 Bury Road	Bury St Edmunds	Barrow	Suffolk	IP29 5AB	FH	
8758	Welcome	154 Fair Oak Road		Eastleigh	Hampshire	SO50 8LP	FH	
4304	Wellington	High Street		Welwyn	Hertfordshire	AL6 9LZ	FH	
1257	Wennis Hotel	9-10 Saturday Market Place		Kings Lynn	Norfolk	PE30 5DQ	FH	
1325	Western Arms	Western Road	Witham	Silver End	Essex	CM8 3SD	FH	

4074	Wheatsheaf	5 Lawrence Road		Biggleswade	Bedfordshire	SG18 0LS	FH	Y
4503	Wheatsheaf	28 Northgate End		Bishops Stortford	Hertfordshire	CM23 2EU	FH	
4611	Wheatsheaf	Oakley Road		Chinnor	Oxfordshire	OX39 4HX	FH	
4113	Wheatsheaf	4 St Peters Street	Cambridge	Duxford	Cambridgeshire	CB2 4RP	FH	
5624	Wheatsheaf	Chapel Square	Wantage	East Hendred	Oxfordshire	OX12 8JN	FH	
1173	Wheatsheaf	45 Chapel Street	Newmarket	Exning	Suffolk	CB8 7HA	FH	
3365	White Hart	Lower Maudlin Street		Bristol	Avon	BS1 2LU	FH	Y
5633	White Hart	High Street	Didcot	Harwell	Oxfordshire	OX11 0EH	FH	
1586	White Hart	1 East Street		Havant	Hampshire	PO9 1AA	FH	Y
5635	White Hart	Money Row Green	Maidenhead	Holyport	Berkshire	SL6 2ND	FH	
3300	White Hart	High Street	Bristol	Iron Acton	Gloucestershire	BS37 9UG	FH	
4916	White Hart	29 Gregory Street	Nottingham	Lenton	Nottinghamshire	NG7 2LT	FH	Y
8760	White Hart	High Street	Harlow	Roydon	Hertfordshire	CM19 5EA	FH	
4256	White Hart	2 North Bridge Street		Shefford	Bedfordshire	SG17 5DH	FH	
4915	White Hart	Sandbed Lane	Belper	Bargate	Derbyshire	DE56 0SH	FH	
4917	White Hart (Owd Boots)	54 Glasshouse Street		Nottingham	Nottinghamshire	NG1 3LW	FH	
4009	White Horse	High Street		Arlesey	Bedfordshire	SG15 6TA	FH	
1021	White Horse	Bury Road	Bury St Edmunds	Beyton	Suffolk	IP30 9AB	FH	Y
6532	White Horse		Bicester	Duns Tew	Oxfordshire	OX25 6JS	FH	Y
3526	White Horse	Easebourne Street	Midhurst	Easebourne	WestSussex	GU29 0AL	FH	
8271	White Horse	Lavenham Road	Sudbury	Great Waldingfield	Suffolk	CO10 0RW	FH	
4505	White Horse	The Heath	Bishops Stortford	Hatfield Heath	Hertfordshire	CM22 7EB	FH	Y
4208	White Horse	28 Longstanton Road	Cambridge	Oakington	Cambridgeshire	CB4 5AB	FH	
4214	White Horse	London Road	Cambridge	Pampisford	Cambridgeshire	CB2 4EF	FH	
5309	White Horse	23 High Street		Steyning	WestSussex	BN44 3YE	FH	Y
1362	White Horse	North Street		Sudbury	Suffolk	CO10 1RF	FH	Y
5310	White Horse	Easthampstead Road		Wokingham	Berkshire	RG40 3AF	FH	
6617	White House	1 Grove Road	Woodstock	Bladon	Oxfordshire	OX20 1RQ	FH	
5638	White Lion	Goring Road	Reading	Goring Heath	Oxfordshire	RG8 7SH	FH	
1307	White Lion	216 High Street		Newmarket	Suffolk	CB8 9AP	FH	
4293	White Lion	31 High Street	Stevenage	Walkern	Hertfordshire	SG2 7PA	FH	Y
4919	White Swan	Market Place	Chesterfield	Bolsover	Derbyshire	S44 6PH	FH	
8661	White Swan	84 Hyde Street		Winchester	Hampshire	SO23 7DW	FH	
5639	Whiteleaf Cross	Market Square		Princes Risborough	Buckinghamshire	HP27 0AN	FH	
1546	Whitmore Arms	Rectory Road	Grays	Orsett	Essex	RM16 3LB	FH	
8761	Willow Tree	14 Durngate Terrace		Winchester	Hampshire	SO23 8QX	FH	
1468	Windmill	1 Windmill Road	Sevenoaks	Weald	Kent	TN14 6PN	FH	
2764	Windsor Castle	152 Bath Road		Hounslow	Middlesex	TW3 3ET	FH	Y
6705	Wine Vaults	5-6 Parsons Street		Banbury	Oxfordshire	OX16 5LW	FH	
4298	Woodman		Ware	Chapmore End	Hertfordshire	SG12 0HF	FH	
3899	Woodpecker	Hanging Hill Lane	Brentwood	Hutton	Essex	CM13 2QG	FH	Y
2981	Woodroffe Arms	1 Castleton Road	Hope Valley	Hope	Derbyshire	S33 6SB	FH	
8272	Woolpack	23 Midlmay Road		Chelmsford	Essex	CM2 0DN	FH	
8763	Woolpack	6 Kettering Road	Kettering	Islip	Northamptonshire	NN14 3JU	FH	
8764	World Upside Down	Marshalls Road	Wellingborough	Raunds	Northamptonshire	NN9 6ET	FH	Y
4176	Wrestlers	126 Church Street	Biggleswade	Langford	Bedfordshire	SG18 9NX	FH	
1049	Yachtsmans Arms	35 Waterside	Colchester	Brightlingsea	Essex	CO7 0AZ	FH	
2982	Ye Derwent	Main Road	Hope Valley	Bamford	Derbyshire	S33 0AY	FH	
5582	Ye Olde Ship	Portsmouth Road		Guildford	Surrey	GU2 4EB	FH	Y
8765	Yew Tree	The Street	Bishops Stortford	Manuden	Hertfordshire	CM23 1DH	FH	Y
1127	Zebra	80 Maids Causeway		Cambridge	Cambridgeshire	CB5 8DD	FH	Y
1086	Rising Sun	Risbygate Street		Bury St Edmunds	Suffolk	IP33 3AA	FH/LLH	
4263	Windmill	St Ives Road	Huntingdon	Somersham	Cambridgeshire	PE28 3ET	FH/LLH	
4203	Builders Arms	3 Albert Road	Barnet	New Barnet	Hertfordshire	EN4 9SH	FH/SLH	
6694	Swan	1 Lower Street	Kidlington	Islip	Oxfordshire	OX5 2SB	FH/SLH	
6018	Assembly House	292-294 Kentish Town Road	London	Kentish Town	GreaterLondon	NW5 2TG	LLH	
5101	Bedfordshire Yeoman	Dallow Road		Luton	Bedfordshire	LU1 1SP	LLH	
5376	Boat House	Mill Stream Approach, Castle Street		Salisbury	Wiltshire	SP1 3TA	LLH	
3030	Champion of the Thames	68 King Street		Cambridge	Cambridgeshire	CB1 1LN	LLH	
6689	G Bar	Pennyfarthing Place		Oxford	Oxfordshire	OX1 1QF	LLH	Y
8623	Golden Farmer	Reeds Hill		Bracknell	Berkshire	RG12 7LS	LLH	
3522	Kestrel	Kestrel Road		Chatham	Kent	ME5 8TH	LLH	Y
252	Pelican	Middlefields Grange Estate		Letchworth	Hertfordshire	SG6 4NG	LLH	
6640	Rowing Machine	Fettiplace Road		Witney	Oxfordshire	OX28 5AR	LLH	
3042	Sir Isaac Newton	84 Castle Street		Cambridge	Cambridgeshire	CB3 0AJ	LLH	
8030	White Hart	Newland Street		Witham	Essex	CM8 2AF	LLH	
4402	Beacon	35 Kings Road		Basingstoke	Hampshire	RG22 6DJ	SLH	
3059	Kings Head	13 Westmoreland Street	London	Marylebone	GreaterLondon	W1G 8PJ	SLH	Y
632	St Brides Tavern	1 Bridewell Place	London	Blackfriars	GreaterLondon	EC4V 6AP	SLH	Y

<b>Freehold</b>	<b>633</b>
<b>Mixed Tenure</b>	<b>4</b>
<b>Long Leasehold</b>	<b>11</b>
<b>Short Leasehold</b>	<b>3</b>
<b>Total Properties</b>	<b>651</b>
<b>Sample Properties</b>	<b>143</b>

**Appendix 3**  
**Belhaven Tenanted and Leased Estate**  
**Portfolio 6**

House No	House Name	Address	Postal Town	City/Town	County	Post Code	Tenure	Sample Property
3647	Abercromby Arms	14 Stirling Road	Alloa	Tullibody	Clackmannanshire	FK10 2QE	FH	
3650	Almondbank Inn	29-31 Main Street	Perth	Almondbank	Perth & Kinross	PH1 3NJ	FH	
3654	Assembly	41 Lothian Street		Edinburgh	Midlothian	EH1 1HB	FH	
3655	Auld Brig	45 Eskside West		Musselburgh	Midlothian	EH21 6RB	FH	Y
3997	Auld House	19 Forth Street		North Berwick	East Lothian	EH39 4HX	FH	Y
3658	Balbairdie Hotel	Bloomfield Place		Bathgate	West Lothian	EH48 1PB	FH	Y
3659	Bankhead Inn	165 Bankhead Road	Aberdeen	Bucksburn	Aberdeenshire	AB21 9HQ	FH	Y
3660	Barleycorn	1 Low Waters Road		Hamilton	Lanarkshire	ML3 7LG	FH	
3996	Bell Rock Tavern	1 Dalgleish Street		Tayport	Fife	DD6 9BB	FH	Y
3663	Bellmans	114-116 John Street		Penicuik	Midlothian	EH26 8NG	FH	
3664	Bia	142 West Regent Street		Glasgow	Lanarkshire	G2 2RQ	FH	Y
3665	Black Abbott	Coronation Way		Montrose	Angus	DD10 9DW	FH	
3666	Black Bitch	14 West Port		Linlithgow	West Lothian	EH49 7AZ	FH	
3668	Black Bull	5 Earl Grey Street		Mauchline	Ayrshire	KA5 5AB	FH	
3669	Black Watch Inn	Bank Street		Aberfeldy	Perth & Kinross	PH15 2BB	FH	
3670	Blakelys	1 Broompark Road		Blantyre	Lanarkshire	G72 0DP	FH	
3671	Blane Valley Inn	54 Glasgow Road	Glasgow	Blanefield	Lanarkshire	G63 9BP	FH	
3990	Boyne Hotel	2 North High Street	Banff	Portsoy	Aberdeenshire	AB45 2PA	FH	Y
3676	Braided Fig	39 Summer Street		Aberdeen	Aberdeenshire	AB10 1SB	FH	
3677	Brass & Granite	53 Grange Street		Kilmarnock	Ayrshire	KA1 2DD	FH	
3678	Bridge Bar	12 Bridge Street		Ellon	Aberdeenshire	AB41 9AA	FH	
3985	Bridges Bar	1 Kilmarnock Road	Kilmarnock	Crosshouse	East Ayrshire	KA2 0EZ	FH	Y
3679	Broomhill Hotel	57 London Road		Kilmarnock	Ayrshire	KA3 7AH	FH	
3681	Bruce Arms	3 Castle Street		Lochmaben	Dumfries & Galloway	DG11 1NY	FH	
3682	Bruces Well	91 Portland Street		Troon	Ayrshire	KA10 6QN	FH	
3683	Burnett Arms	Bridge Road	Inverurie	Kemnay	Aberdeenshire	AB51 5QT	FH	
3684	Burnside Inn	1 Main Street		Menstrie	Clackmannanshire	FK11 7BX	FH	Y
3685	Burts Bar	44 Randolph Street		Buckhaven	Fife	KY8 1AT	FH	
3687	Caberfeidh Bar	Main Street		New Elgin	Moray	IV30 6BH	FH	Y
3688	Caledonian Bar	46a High Street		Nairn	Moray	IV12 4AU	FH	
3971	Caledonian Bar	35 James Square		Crieff	Perth & Kinross	PH7 3EY	FH	
3765	Capos Hotel	800 Old Edinburgh Road		Bellshill	Lanarkshire	ML4 3JG	FH	Y
3691	Carbeth Inn	Stockiemuir Road		Blanefield	Lanarkshire	G63 9AY	FH	
3692	Castle	4 Bellshill Road	Glasgow	Uddingston	Lanarkshire	G71 7HE	FH	Y
4367	Castle Bar	47 Castle Street		Banff	Aberdeenshire	AB45 1DQ	FH	Y
3693	Castle Tavern	4 Todshill Street		Strathaven	Lanarkshire	ML10 6DD	FH	
3694	Central Bar	27 Main Street		West Calder	West Lothian	EH55 8BY	FH	
3771	Central Bar	56-58 Main Street		Prestwick	Ayrshire	KA9 1NX	FH	
3952	Chapman's	251 Main Street		Rutherglen	Lanarkshire	G73 2HN	FH	
3988	Charlotte Bar	79 Charlotte Street		Aberdeen	Aberdeenshire	AB25 1LY	FH	Y
3953	Cheeky Charlies	47 Templehill		Troon	Ayrshire	KA10 6BQ	FH	Y
3698	Clachan Bar	14 Bath Street		Largs	Ayrshire	KA30 8BL	FH	
3699	Clachan Bar	96-98 Neilston Road		Paisley	Renfrewshire	PA2 6EJ	FH	
3976	Clachnaharry Inn	17-19 High Street	Inverness	Clachnaharry	Inverness-Shire	IV3 8RB	FH	Y
4364	Claymore Bar	12 High Street		Grantown-on-Spey	Moray	PH26 3HB	FH	Y
3700	Claymores	16 Baker Street		Stirling	Stirling	FK8 1BJ	FH	
3958	Clydesdale Bar	10-12 Wellgate Street		Larkhall	Lanarkshire	ML9 2AG	FH	Y
3702	Coach House	10 Portland Street		Troon	Ayrshire	KA10 6EA	FH	Y
3703	Commercial Inn	58 North Street		Inverurie	Aberdeenshire	AB51 4RS	FH	
3705	Cosy Corner	189 Mill Road		Hamilton	Lanarkshire	ML3 8PE	FH	
3708	Cross Tavern	2 East Main Street		Whitburn	West Lothian	EH47 0RB	FH	Y
3709	Crown & Anchor	26-28 Regent Quay		Aberdeen	Aberdeenshire	AB11 5AH	FH	
3711	Crown Inn	3 Stewart Street		Carluke	Lanarkshire	ML8 5DZ	FH	
3710	Crown Inn	109-111 High Street		Biggar	Lanarkshire	ML12 6DL	FH	Y
3712	Crown Inn	22 Reidhaven Square		Keith	Aberdeenshire	AB55 5AB	FH	Y
3713	Cyprus Inn	Back Street		Bridge Of Earn	Perth & Kinross	PH2 9AB	FH	Y
3714	Dan McKays	71 Portland Street		Troon	Ayrshire	KA10 6QU	FH	
3716	Dreghorn Inn	39 Main Street		Dreghorn	Ayrshire	KA11 4AQ	FH	
3721	Drumclog	22 Todshill Street		Strathaven	Lanarkshire	ML10 6DD	FH	
3722	Eagle Coaching Inn	155-159 King Street	Dundee	Broughty Ferry	Angus	DD5 2AX	FH	
3723	Eagle Inn	75 High Street		Dunbar	East Lothian	EH42 1EW	FH	
3724	Eagle Inn	110 High Street		Tillicoultry	Clackmannanshire	FK13 6DX	FH	
3726	Engine Room	3-5 King Street		Bathgate	West Lothian	EH48 1NU	FH	
3727	Fairways	18 Chapel Street	Glasgow	Rutherglen	Lanarkshire	G73 1JE	FH	
3728	Fifty Five BC	128 Drymen Road		Bearsden	Lanarkshire	G61 3RB	FH	Y
3977	Flanagans	48a High Street		Elgin	Moray	KY11 5NA	FH	Y
3729	Footballer & Cricketers Arms	111-113 High Street		Linlithgow	West Lothian	EH49 7EJ	FH	
3730	Forge Inn	Whifflet Street		Coatbridge	Lanarkshire	ML5 4EN	FH	
3739	Gables	6 Balleston Road		Glasgow	Lanarkshire	G32 0OQ	FH	Y
3954	Gardeners Arms	11 Kilpair Street		Haddington	East Lothian	EH41 3JQ	FH	
3982	Garthland Arms	5 Church Street		Lochwinnoch	Renfrewshire	PA12 4AD	FH	Y
3743	George Bar	18 Campbell Street		Hamilton	Lanarkshire	ML3 6AS	FH	Y
3745	Girdwoods	180 Hill Street		Wishaw	Lanarkshire	ML2 7AS	FH	

3955	Glen Lusset	67 Dumbarton Road	Glasgow	Old Kilpatrick	West Dumbartonshire	G60 5DA	FH	
3746	Glencairn Lounge	15 Bridge Street		Dumbarton	Dunbartonshire	G82 1NY	FH	
3747	Glenmavis Tavern	51 Gideon Street		Bathgate	West Lothian	EH48 4HB	FH	
3967	Grays (Stuarthall Tavern)	Stirling Road	Stirling	Fallin	Stirling	FK7 7JW	FH	Y
3753	Gryffe Inn	1-3 Main Street		Bridge Of Weir	Renfrewshire	PA11 3NR	FH	
3754	Half a Tanner	3 St John Place		Perth	Perth & Kinross	PH1 5SZ	FH	
3756	Harbour Inn	4-6 Fishmarket Square	Edinburgh	Newhaven	Midlothian	EH6 4LW	FH	Y
3757	Harrow Inn	22 High Street		Galashiels	Scottish Borders	TD1 1SE	FH	
3758	Hebrides	17 Market Street		Edinburgh	Midlothian	EH1 1DE	FH	
3759	Hemmingways	1-3 Keith Street		Hamilton	Lanarkshire	ML3 7BL	FH	
3656	Hole in the Wa'	108-110 High Street		Linlithgow	West Lothian	EH49 7AQ	FH	
3761	Hole in the Wall	170 New Street		Musselburgh	Midlothian	EH21 6BZ	FH	Y
3763	Hollytree Hotel	Main Street		Menstrie	Clackmannanshire	FK11 7BJ	FH	
3986	Hook & Eye	21-23 Allardice Street		Stonehaven	Aberdeenshire	AB39 2BS	FH	Y
3764	Horseshoe Bar	121 Deedes Street	Airdrie	Coatdyke	Lanarkshire	ML6 9AF	FH	Y
3767	Ionic Bar	39 High Street		Elgin	Moray	IV30 1EE	FH	
3768	Islay Inn	1260 Argyle Street		Glasgow	Lanarkshire	G3 8TJ	FH	
3769	Isobar	7 Bernard Street	Edinburgh	Leith	Midlothian	EH6 6PW	FH	
3770	Jack Daniels	Glencairn Street		Motherwell	Lanarkshire	ML1 1TT	FH	
3772	Kanes	Foxton Drive		Glenrothes	Fife	KY7 4UZ	FH	
3773	Kellys	70a Main Street	Motherwell	Cleland	Lanarkshire	ML1 5QR	FH	
3775	Kinnears	8 Angus Road	Perth	Scone	Perth & Kinross	PH2 6OU	FH	
3776	Kirkton Inn	10 Kirkton Street		Carluke	Lanarkshire	ML8 4AB	FH	
3777	Lane	7-11 Wooer Street		Falkirk	Stirling	FK1 1NJ	FH	
3778	Lennox Bar	139 High Street		Dumbarton	Dunbartonshire	G82 1LE	FH	Y
3780	Linden Inn	40 Colquhoun Street		Stirling	Stirling	FK7 7PX	FH	
3783	Lochar Inn	Edinburgh Road	Dumfries	Heathhall	Dumfries & Galloway	DG1 1TZ	FH	Y
3784	Lochside Tavern	Carrick Road		Dumfries	Dumfries & Galloway	DG2 9PR	FH	Y
3956	Lorne Bar	249 Argyll Street		Dunoon	Argyll & Bute	PA23 7QT	FH	Y
3787	Macaulays	85 Main Street		Largs	Ayrshire	KA30 8AJ	FH	
3788	Machan Vaults	8 Muir Street		Larkhall	Lanarkshire	ML9 2BG	FH	
4368	Mallard	Station Square		Dingwall	Highlands	IV15 9JD	FH	Y
3791	Maryburgh Inn	36 High Street		Fort William	Perth & Kinross	PH33 6AT	FH	
3792	Masons Arms	14-16 North Bridge Street		Bathgate	West Lothian	EH48 4PS	FH	
3794	Mercat Bar	28 West Maitland Street		Edinburgh	Midlothian	EH12 5DX	FH	
4366	Mid Calder Inn	35 Main Street	Livingstone	Mid Calder	West Lothian	EH53 0AW	FH	Y
3796	Minders	114 Causewayside		Edinburgh	Midlothian	EH9 1PU	FH	
4365	Monteiths	64-65 Shore Street		Gourock	Renfrewshire	PA19 1RF	FH	Y
3799	Mount Sydney Inn	Craigs Road		Dumfries	Dumfries & Galloway	DG1 4EU	FH	
3983	Muir's Inn	49 Muir's		Kinross	Kinrossshire	KY13 8AU	FH	Y
3803	Newton Arms	111-113 Main Street		Ayr	Ayrshire	KA8 8BX	FH	Y
3804	Niblick	2 Crown Court, High Street		Auchterarder	Perth & Kinross	PH3 1BJ	FH	Y
3805	Nineteenth Hole	8 Ferrier Street		Carnoustie	Angus	DD7 7HT	FH	
3807	Oakwood Lounge	Fairfield		Sauchie	Clackmannanshire	FK10 3DE	FH	
3715	Ogston's Cafe Bar	99 High Street		Arbroath	Angus	DD11 1DP	FH	
3810	Old Inn	6-8 Main Street		Carnock	Fife	KY12 9JQ	FH	
3811	Old Market Inn	28 West Main Street		Whitburn	West Lothian	EH47 0QZ	FH	
3812	Old Ship Inn	31 High Street		Perth	Perth & Kinross	PH1 5TJ	FH	
3813	Oriental Bar	11-13 Hutchinson Street		Glasgow	Lanarkshire	G1 1SL	FH	
3816	Osnaburg	23-25 Osnaburg Street		Forfar	Angus	DD8 2AA	FH	
3817	Ossians	185 Morrison Street		Edinburgh	Midlothian	EH3 8DZ	FH	Y
3818	Oxford Bar	8 Young Street		Edinburgh	Midlothian	EH2 4JB	FH	
3819	Pig & Whistle	68 McNeil Street		Glasgow	Lanarkshire	G5 0NH	FH	
3959	Pitmedden Bar	Tarves Road	Ellon	Pitmedden	Aberdeenshire	AB41 7NX	FH	
3820	Pittodrie Bar	339 King Street		Aberdeen	Aberdeenshire	AB24 5AP	FH	Y
3824	Port Vaults	118 High Street		Lanark	Lanarkshire	ML11 7ES	FH	
3828	Quarter Gill	42 Oswald Street		Glasgow	Lanarkshire	G1 4PL	FH	Y
3829	Quayside	466 Paisley Road		Glasgow	Lanarkshire	G5 8RE	FH	
3830	Queen Street Tavern	45-53 Queen Street		Forfar	Angus	DD8 3AL	FH	
3831	Queens Hotel	9 Allardyce Street		Stonehaven	Aberdeenshire	AB39 2BS	FH	Y
3833	Railway Hotel	70 Court Street		Haddington	East Lothian	EH41 3AF	FH	
3957	Railway Inn	43 Main Street		West Calder	West Lothian	EH55 8DL	FH	
3834	Railway Tavern	127 College Street		Dumbarton	Dunbartonshire	G82 1NH	FH	
3835	Ravelston House Hotel	182 North High Street		Musselburgh	Midlothian	EH21 6BH	FH	
3836	Red Lion	Crawford Street		Kelso	Scottish Borders	TD5 7DP	FH	
3837	Regal Bar	6 West Main Street		Armadale	West Lothian	EH48 3QA	FH	
3838	Rising Sun	11 Sandwell Street		Buckhaven	Fife	KY8 1BY	FH	
3998	Riverside Inn	8-10 Leny Road		Callander	Stirlingshire	FK17 8BA	FH	Y
3839	Royal Bar	43 Scott Street		Perth	Perth & Kinross	PH1 5EH	FH	Y
3840	Royal Oak	Duke Street		Huntly	Aberdeenshire	AB54 8DL	FH	
3841	Royalty Ale House	144 Maryhill Road		Glasgow	Lanarkshire	G20 7OS	FH	
3842	Rumford Arms	Main Road	Falkirk	Maddiston	Stirling	FK2 0LU	FH	
3987	Salutation Hotel	99 High Street		Kinross	Kinrossshire	KY13 8AA	FH	Y
3843	Scotia Bar	51 Manor Street		Falkirk	Stirling	FK1 1NH	FH	
3845	Settle Inn	91 St. Mary's Wynd		Stirling	Stirling	FK8 1BU	FH	
3966	Seven Oaks Roadhouse	24 Harrysmuir Road	Livingston	Pumpherstons	West Lothian	EH53 0NT	FH	Y
3849	Sheiling Bar	144 Main Street		Largs	Ayrshire	KA30 8JN	FH	
3850	Ship Inn	97 St Michael Street		Dumfries	Dumfries & Galloway	DG1 2PY	FH	
3852	Ship Inn	7-9 Quality Street		North Berwick	East Lothian	EH39 4HJ	FH	
3851	Ship Inn	102 Newhouse Road		Grangemouth	Stirling	FK3 8NJ	FH	Y
3972	Sinbads	115-117 Argyll Street		Dunoon	Argyll & Bute	PA23 7DH	FH	
3855	Smiths	13 Dalblair Road		Ayr	Ayrshire	KA7 1UF	FH	
3856	Smugglers Inn	79 High Street		Stewarton	Ayrshire	KA3 5DX	FH	Y
3857	Sophies Bar	11 High Street		Johnstone	Renfrewshire	PA5 8JU	FH	Y

3858	Sportsmans	58 High Street		Musselburgh	Midlothian	EH21 7BX	FH	Y
3860	St Laurence	Main Street	Falkirk	Slamannan	Stirling	FK1 3EJ	FH	
3863	Stag Bar	48 Bank Street		Dumfries	Dumfries & Galloway	DG1 2PA	FH	
3989	Stag Hotel	21-22 High Street		Moffat	Dumfries & Galloway	DG10 9HL	FH	Y
3864	Staging Post	8 Anderson Street		Airdrie	Lanarkshire	ML6 0AA	FH	
3865	Stags Head Inn	61 Dundee Street		Carnoustie	Angus	DD7 7PN	FH	
3866	Star Inn	6 Waterside Street		Strathaven	Lanarkshire	ML10 6AW	FH	
3867	Starbank Inn	64 Laverockbank Road	Edinburgh	Newhaven	Midlothian	EH5 3BZ	FH	
3902	Stead Inn	Manse Road	Potterton	Denhead	Aberdeenshire	AB23 8UB	FH	
3903	Steamie	72-74 Newington Road		Edinburgh	Midlothian	EH9 1QN	FH	
3904	Stirling Castle	92 Old Dumbarton Road		Glasgow	Lanarkshire	G3 8PZ	FH	
3906	Sun Inn	23 The Square		Cumnock	Ayrshire	KA18 1AU	FH	
3908	Tallys	11/13 Old Hawkhill		Dundee	Angus	DD1 5EU	FH	Y
3909	Tannahills	100 Neilston Road		Paisley	Renfrewshire	PA2 6EN	FH	
3912	Tea Gardens Tavern	69 Causeyside Street		Paisley	Renfrewshire	PA1 1YT	FH	
3975	Thistle Inn	22 Glaisnock Road		Cumnock	Ayrshire	KA18 3AB	FH	Y
3914	Thistle Street Bar	39 Thistle Street		Edinburgh	Midlothian	EH2 1 DY	FH	Y
3960	Tolbooth	37-43 West High Street		Forfar	Angus	DD8 1BE	FH	
3915	Top O'The Toun Bar	2 York Place		Kirkcaldy	Fife	KY1 3HN	FH	Y
3961	Tower Inn	130 Church Street		Tranent	East Lothian	EH33 1BL	FH	
3917	Treasury	7 Graham Street		Airdrie	Lanarkshire	ML6 6AB	FH	
3920	Varsova	38 High Street		Paisley	Renfrewshire	PA1 2DQ	FH	Y
3921	Victoria Bar	169 Quarry Street		Hamilton	Lanarkshire	ML3 7HR	FH	
3969	Victoria Inn	9 Court Street		Haddington	East Lothian	EH41 3JD	FH	
3981	Village Bar	5 Stirling Road		Dunblane	Stirlingshire	FK15 9EP	FH	Y
3923	Volunteer Arms	63 High Street		Inverkeithing	Fife	KY11 1NW	FH	Y
3924	Waggon Inn	10 Coalmarket		Kelso	Scottish Borders	TD5 7AH	FH	
3926	Wally Dug	32 Northumberland Street		Edinburgh	Midlothian	EH3 6LS	FH	
3978	Waverley	88-94 Main Street		Callander	Stirlingshire	FK17 8BD	FH	Y
3930	Weavers	Airdrie Road		Cumbernauld	Lanarkshire	G67 4DN	FH	
3931	Wee Dram	177-179 Low Waters Road		Hamilton		ML3 7QQ	FH	
3984	West Barns Inn	5 Duke Street		Dunbar	East Lothian	EH42 1UR	FH	Y
3933	West Port Tavern	15 South Bridge Street		Bathgate	West Lothian	EH48 1TR	FH	
3934	Wheatsheaf Inn	3 Main Street		Symington	Ayrshire	KA1 5QB	FH	
3936	Whitehills Farm	Scholars Gate	Glasgow	East Kilbride	Lanarkshire	G75 9DN	FH	Y
3937	William Wallace	2 Airthey Road	Stirling	Causewayhead	Stirling	FK9 5JR	FH	
3938	Windsor Hotel	42-44 High Street		Leven	Fife	KY8 4NA	FH	
3939	Wintersgill	226 Great Western Road		Glasgow	Lanarkshire	G4 9EJ	FH	
4363	Woodside Hotel	3 Tweeddale Street		Oban	Argyll & Bute	PA34 5DD	FH	Y
3940	Woodside Inn	239 Maryhill Road		Glasgow	Lanarkshire	G20 7YB	FH	
3941	Woolpack Inn	1 Glassford Square		Tillicoultry	Clackmannanshire	FK13 6AU	FH	
3750	Golden Tee	North Balnagask Road	Aberdeen	Torry	Aberdeenshire	AB11 8TR	LLH	

<b>Feuhold/Heritable</b>	<b>198</b>
<b>Long Leasehold</b>	<b>1</b>
<b>Total Properties</b>	<b>199</b>
<b>Sample Properties</b>	<b>67</b>

## 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 57,000 licensed public houses (“pubs”), going to pubs, clubs and bars continues to be one of the most popular leisure activities in the United Kingdom. In 2007, the annual sales of the United Kingdom pub sector were estimated to be of the order of £26 billion. The United Kingdom pub sector has broadly speaking three distinct business models: managed pubs, leased and tenanted pubs and individual, independently owned pubs. There are currently approximately 9,000 managed pubs, 30,000 leased and tenanted pubs and 18,000 independently owned pubs operating in the United Kingdom.

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 United Kingdom pub sector is influenced by trends for both eating out and drinking out. Eating out in pubs has become increasingly popular. Pubs have a 23% share of all out-of-home dining occasions, and the pub food market has grown from £4.9 billion annually 5 years ago to approximately £6.4 billion and is expected to grow to £8.2 billion by 2010 (source: *Mintel*). With a combination of changing lifestyles and pubs offering better quality food and better surroundings in which to consume it, it is expected that the growth trend will continue.

### Market Factors

In summary, the key market drivers shaping the future of the United Kingdom drinking out and eating out market are:

- *economic climate* – overall economic growth or decline and, in particular, overall changes in the level of consumer expenditure;
- *changes in demographics* – for example, over the next five years, the number of 20-25 year olds (who are a key consumer group for the drinking out market) is forecast to grow by 3 per cent. and the number of persons aged 45 and above (who are a key consumer group for the pub-restaurant market) is forecast to grow by 8 per cent. (source: *Office of National Statistics*);
- *broadened consumer appeal* – an increase in the number of people visiting pubs from a wider selection of social and demographic groups (including women, families and older people) mitigating against a decrease in the frequency of visits by traditional blue collar male pub users;

- *growth in food sales in pubs* – the popularity of eating out in pubs and restaurants has increased dramatically, partly due to consumers’ increasing propensity to eat out, a preference for informal dining and an improvement in the breadth and quality of the pub food offering;
- *product trends* – there are continued shifts in demand in the beverages sector, with declining sales of draught beer in pubs being offset by sales growth in cider, wine, spirits, soft drinks and coffee;
- *branding* – the growth in branded and formatted sites aiming to provide consistency of offer standards and service, with a view to attracting new customers, driving customer loyalty, and increasing frequency of visits;
- *competition* – the leisure market has significantly expanded in recent years supported by high levels of investment to attract a more affluent but discerning consumer. Not only do pubs have to compete in this leisure market, but they can also be very sensitive to pricing as well as rising levels of home consumption;
- *regulation* – the licensing reform in England and Wales (which has resulted in longer opening hours for existing pubs and may restrict the granting of new licences, particularly in residential areas) and in Scotland (which is unlikely to result in longer opening hours but may result in restrictions on certain promotional activities), changes in employment legislation (including the level of the national minimum wage), changes in gaming legislation (which may reduce income from gaming activities in certain of the pubs in the Securitisation Group), the ban on smoking in enclosed public spaces (which has been in force since March 2006 in Scotland, since 1 April 2007 in Wales and since 1 July 2007 in England) and other regulation relevant to the business of the Securitisation Group. See the section entitled “*Regulatory Environment*” below.

## **Regulatory Environment**

### ***General***

During the second half of 2004, the House of Commons Trade and Industry Select Committee (the “**TISC**”) conducted an inquiry into the relationship between pub companies and their tenants. Their report, which was published on 21 December, 2004 focussed on issues such as the exclusive purchasing obligations (beer tie) enforced by tenanted pub companies on their tenants and the link between the wholesale beer prices charged by tenanted pub companies and the rents they charge their tenants. In this case, the TISC has chosen not to recommend legislation but has instead highlighted the areas of weakness it has found in the industry and has encouraged the pub companies to address them voluntarily through a code of conduct. In particular, the TISC found that there was no reason to ask the Office of Fair Trading to investigate the beer tie, the TISC having satisfied itself that ending the beer tie would not benefit licensees. The TISC recommended that its successor body in the next session of Parliament conducts a further review of the industry and this body may subsequently recommend further legislation to regulate the pub industry if the recommended voluntary code is not implemented. No such review is currently being undertaken.

### ***Competition Law***

All vertical agreements, including tenancy agreements which contain supply arrangements, were excluded from the application of the Chapter I prohibition contained in the Competition Act 1998 (“**Chapter I prohibition**”), provided the agreement does not contain any resale price maintenance provision.

The exclusion of vertical agreements from the application of the Chapter I prohibition was repealed with effect from 1 May 2005. However, vertical agreements may continue to be exempt from the Chapter I prohibition through the parallel application of European Commission Regulation No 2790/99/EC (“**Vertical Restraints Block Exemption**”).

The Vertical Restraints Block Exemption exempts agreements from the application of Article 81(1) of the EC Treaty and, through parallel exemption, the Chapter I prohibition provided, *inter alia*, the supplier's share 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 lease arrangements for so long as Greene King's share of relevant market sales remains below 30 per cent., and the lease arrangements do not contain any of the hard core restrictions of competition identified in the Vertical Restraints Block Exemption.

The Vertical Restraints Block Exemption expires on 31 May 2010. 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.

### ***Licensing Reform***

The sale of alcohol in the United Kingdom is a highly regulated industry governed by the licensing system. Licensing covers most premises where alcohol is sold, such as pubs, off-licences, restaurants and supermarkets. The retail sale of alcohol in the England and Wales was, until November 2005, governed by a licensing system set out in the Licensing Act 1964. Pubs, part of the "on-trade" business, generally required a full on-licence in order to sell alcohol on the premises. The licence was generally held by the manager or landlord. That person had to satisfy the licensing authorities that he/she was a fit and proper individual to hold such a licence. The licence would not be approved if the prospective licensee would have been prevented from properly discharging his/her functions as a licensee.

Under the former licensing regime, on-licences were renewed every three years and could have been revoked at any time for serious cause, including violation by the manager or landlord or his/her employees of any law or regulation, such as those regulating the minimum age of patrons or employees, advertising and inventory control.

On 24 November 2005 the Licensing Act 2003 became law. The key changes introduced by the Act are:

- the transfer of the management of the licensing system from local magistrates courts to local authorities, i.e. from the legal system to the local government system. However, licence holders retain the right of appeal to the magistrates court. Whilst the new regime has not fundamentally changed the regulatory structure of the licensed sector, in practice there are visible changes because each pub that wishes to vary its hours of operation has to submit details of its operating plan and all pubs now face greater scrutiny from police, local residents and other relevant authorities;
- greater flexibility with respect to pub opening hours as the former limits on late-night trading have been relaxed for some pubs. While longer opening hours undoubtedly have cost implications, this change benefits pubs where there is a demand for an extra hour of drinking especially at weekends; and
- a dual system of longer-term premises licences and personal licences.

Regulations determine many of the practical implications of the new legislation.

The retail sale of alcohol in Scotland is currently governed by the Licensing (Scotland) Act 1976 (as amended) and is administered through the licensing boards of the 32 local authorities. There are currently seven different types of licence in Scotland, depending broadly upon the type of premises from which the alcohol will be sold (the categories being pub, hotel, restricted hotel, off-sale,

restaurant, refreshment and entertainment), in addition to a separate licensing system for clubs. Current licences and any regular extensions, children certificates etc have all been extended to run until 1st September 2009 when they expire. They can be held by “non-natural persons” such as limited companies, with individual nominees named in the licence application who have day-to-day responsibility for the licensed premises. Current grounds for refusal of an application for a new licence include that the applicant (or the person on whose behalf or for whose benefit the premises will be managed) is not a fit and proper person to be the holder of the licence, the premises will be unsuitable or inconvenient for the sale of alcohol, the sale of alcohol would create a public nuisance or the licence would lead to an over-provision of licensed premises in the locality. Certain classes of persons may submit objections to an application to the relevant Scottish licensing board.

In addition to the reforms in England and Wales, the Scottish Parliament has enacted the 2005 Licensing Act, which received Royal Assent on 21 December 2006 and came into effect in February 2008. The key provisions of the 2005 Licensing Act include:

- in line with the changes implemented in England, the introduction of a dual system of premises licences and personal licences;
- each licensed premises will require a personal manager who holds a personal licence and who can only be the premises manager of one licensed premises;
- the continuation of premises licences for an unlimited period of time until the occurrence of a number of specified events;
- the abolition of the present system of statutory permitted licensing hours (in relation to premises other than those authorised for off-sales daily which are restricted to a maximum of 10am to 10pm), and opening hours being authorised by the terms of the relevant premises licence and dependent on the approved operating plan for the premises;
- a prohibition of irresponsible promotional advertising or discounted pricing of alcohol where such promotion is aimed at encouraging excessive consumption;
- a prohibition on varying the price of alcohol during a 72 hour period;
- replacing the rules about children within licensed premises and substituting a requirement to opt in to have children (0-15) and young persons (16-17) in licensed premises and as regulated by the terms of the approved operating plan for the premises;
- the appointment of Licensing Standards Officers to supervise compliance and the issuing of enforcement notices; and
- provision for sanctions (such as the suspension or revocation of licences) for breaches to take effect immediately notwithstanding any appeal, subject to the right of the court to recall such sanctions pending determination.

An 18 month transition period commenced 1st February 2008 and comes fully into effect on 1 September 2009, during which time existing licensees or (in the case of multiple national chains which are running a tenanted estate) the property owners have to submit applications for premises licences and, for those that need them, to apply for a personal licence, ahead of the full implementation of the new licensing regime on 1 September 2009. The 2005 Licensing Act does not contain any provisions under which existing pubs are guaranteed their existing licence rights, which means that the benefit of existing licences and extensions thereto could be lost when an application for a new premises licence is submitted. The month, not year of renewal of any current licence is critical to being able to make a transition application under the special procedure with its very limited grandfather rights (Last lodgings for 7 March (passed), 6 June, 3 October and 16 January, 2009). Such limited grandfather rights stipulate that the premises licence application cannot be refused on the grounds of over-provision. However, if premises licence applications are not made on the due date, the limited

grandfather rights are forfeited by the applicant. It is expected that licensing boards will protect existing hours of premises provided that they are not contrary to local licensing board policy.

In February 2007, the Scottish Executive published an update to its “Plan for Action on Alcohol Problems”, which was originally published in 2002. (A new publication is expected imminently.) The long term aim of the plan is to create a society in which safe and sensible alcohol consumption is seen as compatible with a healthy lifestyle. The paper sets out a comprehensive programme of action for the next three years to change drinking cultures and reduce alcohol-related harm through Government action, partnership working and encouraging individuals to take personal responsibility.

The 2005 Licensing Act imposes a ban on “speed drinking” promotions, provide for a means by which communities can object to licence applications and requires all licensees to act on a “no proof of age, no sale” basis with severe penalties for those who do not.

During transition any new licence applications require to be “hybrid” with both 1976 and 2005 applications being required. The process may be slow (taking up to 182 days) and expensive and currently both the relevant planning permission and a building warrant are required to be in place in advance of applications being submitted. This may act as a cost deterrent to the submission of applications for new grants. The government is reconsidering the requirement for a building warrant to be in place in advance.

### ***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. It is not known if or when these recommendations will be adopted under European and/or national legislation. The current legal limit in the United Kingdom is 0.8mg/ml (see sections 11(1) and (21) of the Road Traffic Act 1988) and as car drivers and passengers account for 40 per cent. of pub visits, such a measure may discourage customers who drive to pubs from visiting pubs.

### ***Employment Legislation***

The Working Time Regulations (the “**WT Regulations**”) came into effect on 1 October, 1998 and control the hours employees are legally allowed to work. Under the legislation, workers may only be required to work a 48 hour week (although they can choose to opt out and work longer if they wish). The WT Regulations also lay down rights and protections in areas such as minimum rest time, days off and paid leave. Many employees of the GK Group are covered by the WT Regulations and most of its licensed house managers have signed voluntary “opt outs” which allow them to work longer than the 48 hour week. The retention of the ability to opt out and the guidance as to who is covered by the WT Regulations may possibly change in the future.

Under the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, part-time workers can claim the same rights as full-time workers. Similar provisions apply to employees employed under fixed-term contracts under the Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002. Employees engaged under fixed-term contracts can claim the same rights as employees engaged under permanent contracts.

In addition, the Employment Equality (Age) Regulations 2006, preventing employers discriminating on the grounds of age, came into force on 1 October 2006. Thus far, the impact of this legislation for the GK Group has been minimal, however, in future costs associated with providing benefits to older employees, in particular with respect to health insurance, may increase.

Staff costs have increased in pubs following the introduction of the national minimum wage of £3.60 per hour in 1999 which increased to £3.70 in 2000, to £4.10 in 2001, to £4.20 in 2002, to £4.50 in 2003, to £4.85 in 2004, to £5.05 in 2005, to £5.35 in October 2006, to £5.52 in October 2007 and which it has been announced will increase to £5.73 in October 2008. Historically, the Securitisation Group has

managed to partly offset increases in national minimum wage costs against increased labour productivity (i.e. through training, larger sites and efficient staff rostering). 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.

### ***Food Regulation Standards***

Regulations covering food hygiene have raised standards in the food retailing industry. The regulations have had their greatest effect on smaller, independent restaurant outlets that had to incur additional costs to comply with the new standards. Management believes that all of the managed properties in the Securitisation Estate comply with current Food Regulation Standards as a result of rigorous training, policy implementation, audit and review.

### ***EC Noise Directive***

The Physical Agents Directive 2001 (the “**Directive**”) became law on 1 April, 2006. However, the licensed trade has an exemption until 2008. The current United Kingdom noise limit for workplaces is 90 decibels averaged over an eight hour day. When the Directive comes into effect that limit will be reduced to 85 decibels. A small number of the Securitisation Group’s pubs that play loud music and have other live entertainment could be affected by the change in the law, but noise levels in the vast majority of the pubs would fall below the revised limit.

### ***Legislation relating to smoking***

In July 2006, Parliament enacted the Health Act, which provided for (subject to certain very limited exceptions) a total ban on smoking in all enclosed and substantially enclosed public places, and all enclosed and substantially enclosed premises that are used as a place of work. This includes, without limitation, pubs, bars, restaurants and clubs, regardless of whether food is sold or not. The Health Act came into force in England on 1 July 2007. The Health Act also devolved powers to the National Assembly for Wales to make regulations for a ban on smoking in enclosed public places in Wales. Welsh Assembly Members voted in favour of The Smoke-free Premises etc. (Wales) Regulations 2007 on 30 January 2007 and the regulations came into force on 2 April 2007.

Whilst it is too early to assess the impact of the smoking ban in England and Wales, it could discourage customers who smoke from using pubs and this may have an adverse effect on the results of the Securitisation Group’s businesses in England and Wales.

In Scotland, there has been a complete ban on smoking in pubs since 26 March 2006, when the Smoking, Health and Social Care (Scotland) Act 2005 came into force. The trading experience since the Scottish ban took effect has been relatively benign, with growth in food sales and a limited slow down in drink sales, although it is still too early to make a definitive judgement. The smoking ban could discourage customers who smoke from using pubs and this may have an adverse effect on the results of the Securitisation Group’s businesses in Scotland. 216 of the pubs in the Securitisation Group following the Third Closing Date will be Scottish pubs.

Legislation prohibiting smoking will affect all of the pubs in the Securitisation Group within the relevant jurisdiction. Such legislation may have the effect of discouraging smokers from visiting pubs and restaurants, who may prefer to drink, eat and smoke at home

### ***Legislation relating to gambling***

In April 2005, the Gambling Act 2005 was enacted and as part of the legislation new gaming regulations came into force on 1 September 2007. The new legislation includes changes to the operation of amusement machines with prizes (“**AWPs**”) and one of the key changes is that the use of AWP’s by persons aged under 18 is now illegal except on low stake and prize machines. The level of prizes and stakes has been changed for category C machines with the maximum permissible prize increased from £25 to £35 and the maximum permissible stake increased from 30p to 50p.

Equal chance gaming, such as cribbage or poker, is still permitted in pubs. However, it is subject to more stringent conditions imposed by the Gambling Act 2005. There are explicit monetary limits on stakes and prizes, as well as new social responsibility provisions requiring close supervision of games. There have also been changes to the categories of machines permitted in casinos, licensed betting offices, bingo halls, amusement arcades, family entertainment centres and motorway service stations, some of which may increase the competitive threat to the Securitisation Group in respect of gaming.

### ***Alcohol harm reduction strategy and responsible drinking***

In March 2004, the Government issued its National Alcohol Harm Reduction Strategy for England based on various consultations carried out during the course of 2003 and 2004. The aim of the strategy is to prevent any further increase in harm caused by alcohol in England and Wales. The strategy contains a number of voluntary measures, which aim to forge new partnerships between the health and police services, the drinks industry and local authorities and their communities. The Government has stated that it will keep under review the effectiveness of this voluntary approach and introduce legislation if necessary. On 5 June, 2007, the Government issued an update to the strategy setting out further proposals for monitoring and controlling harm caused by alcohol.

Under the Licensing Act 2003, which came into force on 24 November, 2005, new measures have been introduced in England and Wales empowering the police, local residents and others to seek reviews of licences, and providing licensing committees with the opportunity to impose an extended range of measures for the prevention of crime and disorder. These measures strengthen the proposals announced in the Government's consultation paper "Drinking Responsibly", which was published in January 2005. In November 2006, the Violent Crime Reduction Act 2006 introduced measures aimed at problem drinkers, such as powers for the police to ban people with previous alcohol-related offences from visiting pubs and bars in a certain area. The Act also allows for, as a last resort, the introduction of "Alcohol Disorder Zones", which will require licensed premises to contribute to the cost of alcohol-related crime and disorder in specific areas where it has been highlighted as a problem. The Government has supported the licensed trade and the pub industry in launching an industry standards document to promote broader social responsibility in selling alcohol.

In February 2007, the Scottish Executive published an update to its "Plan for Action on Alcohol Problems", which was originally published in 2002. The long term aim of the plan is to create a society in which safe and sensible alcohol consumption is seen as compatible with a healthy lifestyle. The paper sets out a comprehensive programme of action for the next three years to change drinking cultures and reduce alcohol-related harm through Government action, partnership working and encouraging individuals to take personal responsibility. The 2005 Licensing Act came into force at the beginning of February 2008 for a transitional 18 month period before fully coming into effect on 1 September 2009. The 2005 Licensing Act imposes a ban on "speed drinking" promotions, provide for a means by which communities can object to licence applications and require all licensees to act on a "no proof of age, no sale" basis.

### ***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 Offering Circular.*

### Overview

The GK Group is a UK operator of managed and tenanted pubs. Its pub estate (the “**Estate**”) as at the date of this Offering Circular comprises 2,574 sites spread throughout the UK. As at 14 October 2007 the book value of the assets of the GK Group (excluding intangible and current assets) was £2.0 billion. The GK Group generated EBITDA of £133.0 million and operating profits of £111.8 million (before exceptional items) on revenues of £445.0 million in the 24 weeks ending 14 October 2007. The annual run-rate EBITDA for the assets comprising the Securitisation Estate was £201.7 million as at 6 January, 2008.

### 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.

Recent acquisitions have included The Magic Pub Company Limited (273 pubs, in 1996), Beards of Sussex Group Limited (43 pubs, in 1998), the Marston’s southern estate (165 pubs, in 1999), Morland plc (422 pubs, in 1999), Old English Inns plc (136 pubs, in 2001), Dalgety Taverns (8 pubs, in 2002), Morrells of Oxford (107 pubs, in 2002), the Laurel Neighbourhood Estate (432 pubs, in August 2004), Ridleys (73 pubs, in July 2005), Belhaven (283 pubs in Scotland, in September 2005), Hardys & Hansons plc (268 pubs, in September 2006), Loch Fyne Restaurants (36 fish restaurants, in August 2007) and New Century Inns (49 pubs, in November 2007).

These acquisitions have resulted in a high quality estate comprising properties which tend to be freeholds and long leaseholds (with only approximately 5 per cent. being short leaseholds) and are well presented, are sited in economically healthy areas and 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 as at the Third Closing Date*” above.

Greene King holds the entire issued share capital of, amongst other companies, each of the Securitisation Group Parent and GKB&R. The Securitisation Group Parent is the intermediate holding company of the Initial Borrower. The Initial Borrower will be the immediate shareholder of each of GKRNo.2 and 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 Loch Fyne Restaurants 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 is committed to the development of high quality enterprises. In order to achieve this development, the GK Group continually refines its operations to meet its customers' changing demands and adapts to developments in market structures. The GK Group concentrates on those segments of the hospitality and drinks markets in which it can achieve a combination of long-term profit growth, good investment returns and defensible competitive positions.

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 the maintenance of its brewing business enables the provision of stable cash flows 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.

## **Business**

GKB&R is currently structured into five integrated trading divisions: "Local Pubs" (which operates community, town-local and town-traditional managed pubs in England and Wales), "Destination Pubs" (which operates branded or strongly formatted, mostly food-led pubs in England and Wales), "Pub Partners" (which operates tenanted and leased pubs in England and Wales), "Brewing Company" (which operates a brewing business in England) and "Belhaven" (which operates managed, tenanted and leased pubs and the GK Group's brewing business in Scotland). In addition, the Loch Fyne Restaurants are operated as a separate trading division.

### ***Greene King Retail***

Greene King Retail combines the Local Pubs, Destination Pubs and Loch Fyne divisions and, therefore, operates the pubs and restaurants being run under direct management. Interim results for 24 weeks to 14 October, 2007 showed revenue rising by 8 per cent. to £268.2 million. Operating profit also increased by 6 per cent. to £56.5 million. Operating margin fell 0.4 percentage points to 21.1 per cent., due largely to the addition of the leasehold Loch Fyne restaurants. Excluding the effect of adding the Loch Fyne outlets, margins were broadly flat year-on-year.

The Securitisation Estate will, as at the Third Closing Date, contain 518 Greene King Retail pubs.

Some of the pub operating formats within Greene King Retail are:

#### ***Hungry Horse brand***

This retail brand became part of the GK Group with the acquisition of Magic Pub Company in 1996. These pubs (numbering 95 as at 4 May, 2008) are located in urban community sites where the barrier to entry for potential competitors is high. As at the Third Closing Date, there will be 82 Hungry Horse pubs in the Securitisation Estate.

#### ***Inns***

There were 129 properties within this division, some with letting accommodation, as at 4 May, 2008. The division includes the Old English Inns business in which there has been continued investment since their acquisition in 2001, and Wayside Inns, acquired from Laurel in 2004, being houses characterised by attractive locations, large gardens, traditional English furnishings and individual pub names. As at the Third Closing Date, there will be 86 such pubs in the Securitisation Estate.

### *Local Pubs*

There were 492 local pubs as at 4 May, 2008. These pubs are local market-facing bespoke pubs, where the emphasis is on individuality rather than a set format. The pubs operate at both the mid-market core and the premium end of the market. As at the Third Closing Date, there will be 346 local pubs in the Securitisation Estate.

### *Pub Partners*

This is the trading division that runs the tenanted and leased estate in England and Wales. Interim results for 24 weeks to 14 October, 2007 showed revenue increase by 3 per cent. to £76.6 million and operating profit by 8 per cent. to £36.7 million. The operating profit margin improved by 2.2 percentage points to 47.9 per cent.. The strategy for letting the Pub Partners estate is to optimise the mix of both shorter-term non-assignable tenancies and longer-term assignable leases. As at 4 May, 2008, there were 1,478 pubs in this division with 21 per cent. of the estate was let on long-term assignable leases, with 79 per cent. being let on a shorter-term tenancy agreements.

This division has a strong, effective policy of working to attract the most suitable licensees. As at the Third Closing Date, there will be 1,301 Pub Partners pubs in the Securitisation Estate.

### *Belhaven*

This is the Scottish division which includes managed, tenanted and leased pubs as well as a brewery. There were 321 pubs in this division as at 4 May, 2008, 93 of which were managed pubs and 228 of which were leased and tenanted pubs. Interim results for the 24 weeks to 14 October 2007 showed an increase in revenue of this division of 5 per cent. to £58.8 million, and an increase in operating profit of 16 per cent. to £13.3 million.

216 pubs from the Belhaven division (of which 17 are managed pubs and 199 are leased and tenanted pubs) will be transferred into the Securitisation Estate on or before the Third Closing Date.

### *Brewing Company*

Interim results for 24 weeks to 14 October, 2007 showed an increase in revenue of this division of 1 per cent. to £41.4 million. There was also an increase in operating profit by 4 per cent. to £10.4 million. There was an improvement in the operating profit margin of 0.8 percentage points to 25.1 per cent..

### **Organisational Structure**

The Securitisation Estate will consist of four trading divisions; local managed pubs, destination managed pubs and tenanted pubs, in each case in England and Wales, and Scottish managed and tenanted pubs. 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 Offering Circular:

<b>Region</b>	<b>Distribution by number of pubs</b>	
	<b>Securitisation Estate %</b>	<b>GK Group Estate %</b>
East of England	24.82	23.7
Midlands	17.74	18.4
Lancashire	3.39	3.6
London	19.75	19.2
North East	2.01	1.9

Scotland & Borders	10.66	12.4
Southern	12.68	12.0
Wales & West	4.03	3.8
Yorkshire	4.91	5.0
<b>Total</b>	<b>100</b>	<b>100</b>

### The Securitisation Estate

The following table sets out the number of sites of the entire GK Group's pub estate 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 26 June, 2008.

<b>Trading Division</b>	<b>Operating Format/Location</b>	<b>GK Group Estate</b>	<b>Securitisation Estate</b>	<b>% of Securitisation Estate</b>
<b>Greene King Retail (Managed)</b>				
	Hungry Horse	96	82	4.0
	Inns	124	86	4.2
	Local Pubs	481	346	17.0
	Hardys Food	30	4	0.2
<b>Belhaven Managed Pub Partners (Tenanted/Leased)</b>		93	17	0.8
	Community	955	832	40.9
	Other	524	469	23.0
<b>Belhaven (Tenanted/Leased)</b>				
	Community	173	151	7.4
	Other	55	48	2.4
<b>Total</b>		<b>2,531</b>	<b>2,035</b>	<b>100.0</b>

### Services Agreements

GKB&R owns the intellectual property used for the operation of the GK Group's activities (save for the intellectual property rights in the Hungry Horse logo which it licences from a third party) and is party to its trade contracts with third parties.

All employees are employed by one of five wholly-owned subsidiaries of Greene King: Greene King Retail Services Limited ("GKRS"), Greene King Services Limited ("GKSL"), Hardys & Hansons Limited ("H&H"), The Belhaven Group Limited ("BGL") and Belhaven Brewery Company Limited ("BBC") each of which second 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 GK Group's employees are split into two categories: head office staff and field-based employees including business development managers, pub managers and retail staff. 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 six defined benefit pension schemes in respect of certain existing employees. All six schemes are closed to new employees. In addition the TC Scheme is closed to future accrual. As at 5 April, 2007, the GK Scheme, the GKS Scheme and the MP Scheme were in deficit on an ongoing funding basis in the estimated aggregate amount of £16.1 million. As at 31 March, 2005, the BBCL Scheme was in deficit on an ongoing funding basis in the estimated amount of £2.0 million. As at 1 December, 2004, the TC Scheme was in deficit on an ongoing funding basis in the estimated amount of £0.3 million. As at 30 April, 2007, the H&H Scheme was in deficit on an ongoing funding basis in the estimated amount of £0.6 million. The GK Group currently contributes into the five schemes at the following rates of pensionable salaries in respect of current service:

GK Scheme	15.6% (for all members except former Laurel Pub members) 10.5% (for Category III former Laurel Pub members) 12.0% (for Category IV former Laurel Pub members)
GKS Scheme	6.4%
MP Scheme	23.7%
BBCL Scheme	11.6%
H&H Scheme	18.9%
TC Scheme	nil

and contributes a total of £3.2 million per annum in respect of the past service deficit in the Pension Schemes.

New employees who join the GK Group are offered membership of the GK Group Personal Pension Plan, which is a money-purchase, defined contribution arrangement. The employer provides matching contributions into this plan up to 5% 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 managed pub industry. Brief backgrounds of management are set out below.

### **Rooney Anand – Chief Executive**

Rooney Anand, age 44, was appointed to the board of Greene King in 2001 as Managing Director of Brewing Company, having joined the company from Sara Lee, the international consumer goods business, where he was President and Managing Director of its UK bakery division. He was previously with United Biscuits. In 2005 he was appointed to the role of Chief Executive.

### **Tim Bridge, DL – Chairman**

Tim Bridge, age 59, 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.

### **Ian Bull – Finance Director**

Ian Bull, age 47, joined Greene King in 2006 as Finance Director. He was previously with BT Retail.

### **David Elliott – Managing Director, Pub Partners**

David Elliott, age 54, was appointed to the board of Greene King in 1998 when he joined the group as Managing Director of Pub Partners. He has a wealth of experience in the pub industry, having worked at what is now Scottish & Newcastle Retail for 14 years in a variety of operational roles.

### **Justin Adams – Managing Director, Brewing Company**

Justin Adams, age 42, joined Greene King in 2005 as Managing Director of Brewing Company. He was previously with Maxxium.

### **Jonathan Lawson – Managing Director, Local Pubs**

Jonathan Lawson, age 37, was appointed to the board of Greene King in April 2007, when he joined the GK Group as Managing Director of Local Pubs. He was previously retail operations director of Sainsbury's Convenience for three years.

### **Jonathan Webster – Managing Director, Destination Pubs**

Jonathan Webster, age 46, joined Greene King following the acquisition of Hardys & Hansons in 2006, where he had been the chief executive since 2005 and retail director since 1998. He was appointed as Managing Director, Destination Pubs in April 2007.

## SUMMARY DETAILS OF KEY MEMBER COMPANIES OF THE GREENE KING GROUP

### Companies within the Securitisation Group

#### *The Securitisation Group*

As at the Third Closing Date, the Securitisation Group will comprise the Securitisation Group Parent, the Initial Borrower and the Sapphire Companies. For details in respect of the Securitisation Group Parent and the Initial Borrower see the section entitled “*Key Parties to the Transaction*” above.

#### *The Sapphire Companies*

Sapphire Food North East No.1 Limited is a private limited company incorporated in England and Wales with company number 04524259 and with its registered office at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT. Sapphire Food North East No.1 Limited is a member of the Securitisation Group. The issued share capital of Sapphire Food North East No.1 Limited is 1,800 deferred shares of £1 each and 200 ordinary shares of £1 each and is held by the Initial Borrower.

Sapphire Food South West No.2 Limited is a private limited company incorporated in England and Wales with company number 04524261 and with its registered office at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT. Sapphire Food South West No.2 Limited is a member of the Securitisation Group. The issued share capital of Sapphire Food South West No.2 Limited is 1,800 deferred shares of £1 each and 200 ordinary shares of £1 each and is held by the Initial Borrower.

Sapphire Food North West No.3 Limited is a private limited company incorporated in England and Wales with company number 04524286 and with its registered office at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT. Sapphire Food North West No.3 Limited is a member of the Securitisation Group. The issued share capital of Sapphire Food North West No.3 Limited is 1,800 deferred shares of £1 each and 200 ordinary shares of £1 each and is held by the Initial Borrower.

Sapphire Food South East No.4 Limited is a private limited company incorporated in England and Wales with company number 04524297 and with its registered office at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT. Sapphire Food South East No.4 Limited is a member of the Securitisation Group. The issued share capital of Sapphire Food South East No.4 Limited is 1,800 deferred shares of £1 each and 200 ordinary shares of £1 each and is held by the Initial Borrower.

Sapphire Rural Destination No.5 Limited is a private limited company incorporated in England and Wales with company number 04524306 and with its registered office at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT. Sapphire Rural Destination No.5 Limited is a member of the Securitisation Group. The issued share capital of Sapphire Rural Destination No.5 Limited is 1,800 deferred shares of £1 each and 200 ordinary shares of £1 each and is held by the Initial Borrower.

The above companies together being referred to as the “**Sapphire Companies**”, each of which own long leasehold interests in respect of certain of the properties comprising the Securitisation Estate, the freehold and operating leasehold interests of which are owned by the Initial Borrower.

### 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. The issued share capital of GKB&R is £830,000,100 and is held by Greene King.

### ***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 4 May, 2008 the issued share capital of Greene King was £16,811,743 (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.

### ***GKRNo.2***

Greene King Retailing (No.2) Limited is a private limited company incorporated in England and Wales with company number 05265449. GKRNo.2 is not a member of the Securitisation Group nor is it a party to any of the Transaction Documents (other than the First Subscription Agreement, the Second Subscription Agreement, the Third Subscription Agreement, the Tax Deed of Covenant and the GK Security Deed). The issued share capital of GKRNo.2 is £1 and is held by the Initial Borrower.

### ***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). The issued share capital of Greene King Retail Services Limited is £1 and is held by 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). The issued share capital of Greene King Services Limited is £1 and is held by Greene King.

### ***Hardys & Hansons Limited***

Hardys & Hansons Limited is a private limited company incorporated in England and Wales with company number 52412. Hardys & Hansons 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). The issued share capital of Hardys & Hansons Limited is £1,250,000 comprised of £1,000,000 ordinary shares held by Greene King Acquisitions (No. 3) Limited and £250,000 of deferred ordinary shares held by Hardy Hanson Holdings Limited.

### ***The Belhaven Group Limited***

The Belhaven Group Limited is a private limited company incorporated in Scotland with company number SC146920. The Belhaven Group 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). The issued share capital of The Belhaven Group Limited is £3,018,516 and is held by Greene King Acquisitions No. 2 Limited.

### ***Belhaven Brewery Company Limited***

Belhaven Brewery Company Limited is a private limited company incorporated in Scotland with company number SC22860. Belhaven Brewery Company 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). The issued share capital of Belhaven Brewery Co. Limited is £12,900,000 and is held by The Belhaven Group Limited.

### EXPECTED AVERAGE LIFE OF THE THIRD ISSUE NOTES

The average lives of the Third 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 Third Issue Notes can be made based on certain assumptions. For example, based on the assumptions that:

- (a) no optional prepayment is made on the Third Issue Notes; and
- (b) the Issuer exercises its right to redeem each class of Third Issue Notes in full on the Step-Up Date applicable to such class of Third Issue Notes.

The following would be the case based on the assumption referred to in paragraph (b) above:

<u>Class</u>	<u>Notional Amount</u>	<u>Expected Average Life</u>	<u>Expected Maturity</u>	<u>Legal Maturity Date</u>
A5	£290,000,000	4.74 years	2013	2033
AB1	£60,000,000	4.96 years	2013	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.**

## **SUMMARY OF PROVISIONS RELATING TO THE THIRD ISSUE NOTES WHILE IN GLOBAL FORM**

Each class of Third Issue Notes will initially be represented by a Temporary Global Note which will be deposited on or about the Third 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 Third 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 Third 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 Third 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 and (b) the Class A5 Permanent Global Note and the Class AB1 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, 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 Third 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 Third Issue Notes which would not be required were such Third 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 Third Issue Notes.

Notwithstanding Condition 17 (*Notices to Noteholders*), while (i) all the Third 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 Third 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 Third Issue Notes are represented by a Global Note, such Third Issue Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

## 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 £290,000,000 Class A5 Secured Floating Rate Notes due 2033 and the £60,000,000 Class AB1 Secured Floating Rate Notes due 2036 (together the “**Third Issue Notes**”) in each case of Greene King Finance plc (the “**Issuer**”) will be constituted by a supplemental trust deed expected to be dated on or about 30 June, 2008 (or such later date as may be agreed between the Issuer and The Royal Bank of Scotland plc (in such capacity the “**Arranger**”) (the “**Third Closing Date**”) (the “**Second Supplemental Note Trust Deed**”) and made between the Issuer 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 Second Supplemental 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**”), in each case, made between the Issuer and the Note Trustee. The Original Note Trust Deed together with the First Supplemental Note Trust Deed and the Second 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 and the £115,000,000 Class B2 Secured Floating Rate Notes due 2036 (together the “**Second Issue Notes**”) 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 AB1 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 AB1 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 AB1 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**”), as further supplemented by a second supplemental deed of charge expected to be dated on or about the Third Closing Date and 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**” and, together with the Original Issuer Deed of Charge and the First Supplemental 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).

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 Third 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 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 Agreement, the Interest Rate Swap Agreement 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 HSBC House, Harcourt Centre, Harcourt Street, Dublin 2. 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.

## 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.

“**AB1 Principal Residual Amount**” has the meaning given to it in Condition 18(b) (*Subordination and Deferral – Principal – Class AB1 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 Obligor, 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**”, in relation to any person, means 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.

“**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*).

“**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 (other than pursuant to Condition 21 (*European Economic and Monetary Union*)); 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 and the Second 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, 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 1 Grenville Street, St Helier, Jersey JE4 9PF, 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 Sapphire Loan Agreement;
- (m) the Funds Flow Agreement;
- (n) the Second Funds Flow Agreement;
- (o) the Third Funds Flow Agreement;
- (p) the Master Amendment Deed;
- (q) the Second Master Amendment Deed; and
- (r) any other agreement, instrument or deed designated as such by the Obligor 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(d) (*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 Obligor and the Issuer, or such other entity or entities appointed as cash manager for the Obligor 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 and the Class A5 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 £290,000,00 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 AB1 Definitive Notes**” means the bearer Notes in definitive form which may be issued in respect of the Class AB1 Notes pursuant to, and in the circumstances specified in, clause 3 of the Note Trust Deed and includes any replacement for Class AB1 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 AB1 Final Maturity Date**” has the meaning given to it in Condition 7(a)(vi) (*Redemption, Purchase and Cancellation – Final Redemption*).

“**Class AB1 Noteholders**” means the Noteholders of any Class AB1 Notes.

“**Class AB1 Notes**” means the £60,000,000 Class AB1 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 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 Permanent Global Note**” means the permanent global note issued by the Issuer pursuant to clause 3 of the 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 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 AB1 Notes*).

“**Class AB1 Step-Up Amounts**” has the meaning given to it in Condition 6(c)(vii) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class AB1 Notes*).

“**Class AB1 Step-Up Date**” means the Interest Payment Date falling in June 2013.

“**Class AB1 Temporary Global Note**” means the temporary global note issued by the Issuer pursuant to clause 3 of the 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 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)(vii) (*Redemption, Purchase and Cancellation – Final Redemption*).

“**Class B1 Fixed Rate**” has the meaning given to it in Condition 6(c)(viii) (*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)(viii) (*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)(viii) (*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)(viii) (*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)(viii) (*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)(ix) (*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)(ix) (*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 Law Debenture Corporate Services Limited, the Issuer and the Issuer Security Trustee.

**“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 and (in respect of the Third Issue Notes) in Part D of Schedule 1 to the Second 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 AB1 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; and
- (b) (i) 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”; and

- (ii) 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);
- (c) 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), Greene King Services Limited (company number 03324493), The Belhaven Group Limited (company number SC1466920), Belhaven Brewery Company Limited (company number SC022860) and Hardys & Hansons Limited (company number 00052412).

**"Euro"** means the single currency adopted by Participating Member States.

**"Euro Exchange Date"** means the date on which the Issuer gives notice (the **"Euro Exchanging Notice"**) to the Noteholders and the Note Trustee that replacement Notes denominated in Euro are available for exchange.

**"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) (*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 7 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.

“**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 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 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 AB1 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 AB1 Notes, the Class B2 Notes and, on and following the Class B1 Step-Up Date, the Class B1 Notes.

“**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 and any Further Class A5 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 AB1 Notes”** means further Class AB1 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 AB1 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) (*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) an interest rate swap confirmation between the Issuer, the Swap Counterparty and the Issuer Security Trustee dated on or about 2 May, 2006;
- (i) 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;
- (j) a letter agreement dated on or about the Second Closing Date amending the terms of the Interest Rate Swap Agreement between the Issuer, the Swap Counterparty and the Issuer Security Trustee;
- (k) 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
- (l) 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 as further amended on the Third 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*).

**“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 TSB 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 5265451 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 as further amended on or about the Third Closing Date, pursuant to which Greene King has as at the Third Closing Date lent in aggregate £373,047,339 of subordinated debt to the Initial Borrower.

**“Initial Borrower Supplemental Mortgages”** means the supplemental mortgages dated 10 August 2006, 31 March 2007, 6 September 2007, 14 March 2008 and 2 May 2008 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).

**“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 A2 Facility and the Initial Term B1 Facility and excluding, for the avoidance of doubt, 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 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 the ISDA Master agreement and schedule thereto entered into between the Issuer and the Swap Counterparty on the First Closing Date, as amended on the Second Closing Date and as further amended on or about the Third Closing Date together with the amendment and novation agreements dated 2 March, 2005 and on or about the Third Closing Date between the Swap Counterparty, the Issuer and Greene King and the amendment deed dated the First Closing Date between the Swap Counterparty, the Issuer and the Issuer Security Trustee 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)).

“**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 as further amended and restated on or about 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 as further amended and restated on or about the Third 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 Account, 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 as further amended and restated on or about the Third 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 as further amended and restated on or about the Third 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 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 AB1 Noteholders;
- (i) the Class B1 Noteholders;
- (j) the Class B2 Noteholders;
- (k) any holders of any New Notes;
- (l) the Liquidity Facility Provider and any facility agent and arranger under the Liquidity Facility Agreement;
- (m) the Agent Bank;
- (n) the Initial Account Bank;
- (o) the Cash Manager;
- (p) the Initial Borrower;
- (q) the Corporate Services Provider;
- (r) the Principal Paying Agent;
- (s) the Irish Paying Agent; and
- (t) the Swap Counterparty,

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 and Liabilities 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) any Scottish Supplemental Issuer Deed of Charge;
- (c) any power of attorney executed and delivered by the Issuer pursuant to the terms of any Issuer Security Document; and
- (d) 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.

**“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 1 Grenville Street, St. Helier, Jersey JE4 9PF, 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.

**“Lead Manager”** means The Royal Bank of Scotland 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 arithmetic mean of the offered quotations to leading banks (rounded to four decimal places with the mid-point rounded up) for three month Sterling deposits (or three month deposits for such other currency or currency unit as may replace Sterling as the lawful currency of the United Kingdom) in the London interbank market which appear on the page reference “LIBOR01” on the Reuters’ Service (or (i) such other page reference as may replace the page reference “LIBOR01” on the Reuters’ Service for the purpose of displaying such information or (ii) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Note Trustee) as may replace the Reuters’ Service) (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; 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 and in relation to the Third Issue Notes in respect of the first Interest Period following the Third 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 Facility**” means the committed, sterling, revolving liquidity facility made available to the Issuer by the Liquidity Facility Provider in accordance with the terms of the Liquidity Facility Agreement.

“**Liquidity Facility Agreement**” means the facility agreement dated on or about the First Closing Date and made between, *inter alios*, the Issuer, the Liquidity Facility Provider and the Issuer Security Trustee and any facility agent and arranger under the Liquidity Facility Agreement as amended and restated on the Second Closing Date and as further amended and restated on or about the Third Closing Date.

“**Liquidity Facility Provider**” means The Royal Bank of Scotland plc in its capacity as liquidity facility provider, acting through its office at 135 Bishopsgate, London EC2M 3UR, or such other entity or entities appointed as liquidity facility provider from time to time, subject to and in accordance with the terms of the Liquidity Facility Agreement.

“**Liquidity Facility Reserve Account**” means each of (i) the account designated as the “Liquidity Facility Reserve Account”, held in the name of the Issuer 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 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 and (ii) provided that the Liquidity Facility Provider has the Minimum Short-Term Ratings an account of the Issuer opened and maintained with the Liquidity Facility Provider in accordance with the Liquidity Facility Agreement.

“**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 as further amended and restated

on or about 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, the Liquidity Facility Provider and the Swap Counterparty 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 as further amended and restated on the Third 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 “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.

**“Minimum Long-Term Ratings”** means, in respect of any person, such person’s long-term unsecured, unsubordinated and unguaranteed debt obligations being rated at least “A” by Fitch and at least “A” by S&P.

**“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 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.

**“Moody’s”** means Moody’s Investor Services Limited or any successor to its rating business.

**“Mortgaged Property”** means a freehold or leasehold property interest over which an Obligor has granted a mortgage, 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 AB1 Notes for so long as there are any Class AB1 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) (*Further and New Note Issues – Further Notes and New Notes*).

“**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 AB1 Facility and the Term B Facility or which can rank *pari passu* with the existing Term AB1 Facilities or below the Term AB1 Facilities but ahead of the Term B Facility or *pari passu* with the existing Term B Facilities or below the Term B Facilities pursuant to clause 2.4 of the Issuer/Borrower Facility Agreement and made available to such Borrower by the Issuer in accordance with and subject to clause 2.6 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 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.

“**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.

“**Obligors**” means the Initial Borrower, the Securitisation Group Parent and the Sapphire Companies 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.

“**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.

**“Participating Member State”** means a Member State of the European Communities which has adopted the Euro as its lawful currency in accordance with the Treaty.

**“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 AB1 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.

**“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.

**“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 TSB 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 Coupons”** has the meaning given to it in Condition 8(c)(i) (*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 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.

“**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).

“**Sapphire Loan Agreement**” means the loan agreement dated the First Closing Date and entered into between the Initial Borrower (as lender), the Sapphire Companies (as borrowers) and the Borrower Security Trustee.

“**S&P**” means Standard and Poor’s Rating Services, a division of The McGraw-Hill Companies Inc. or any successor to its rating business.

“**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 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, 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 Group 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 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 Lead Manager.

“**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 (other than Greene King Retailing No.2 Limited) 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 5265454 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.

“**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)(ix) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class B2 Notes*).

“**Step-Up Fees**” means the Class A5 Step-Up Fee and/or the Class AB1 Step-Up Fee, as the context may require.

“**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 Limited.

**“Subscription Agreements”** means together the First Subscription Agreement, the Second Subscription Agreement and the Third 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 Ledger”** means a ledger of the Issuer Transaction Account entitled the “Swap Collateral Ledger” maintained by the Cash Manager in accordance with the Account Bank and Cash Management Agreement.

**“Swap Counterparty”** means The Royal Bank of Scotland plc, acting through its office at 135 Bishopsgate, London EC2M 3UR, which expression shall include any other swap counterparty with which the Issuer enters into any Interest Rate Swap Agreement.

**“Swap Counterparty Downgrade”** means the Swap Counterparty ceasing at any time to have at least each of the Minimum S&P Swap Counterparty Ratings, the Minimum Fitch Short-Term Rating and the Minimum Fitch Long-Term Rating.

**“Swap Excluded Amounts”** means:

- (a) if the transactions under the 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 Swap Counterparty by way of termination payments relating to the termination of the transactions under the 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 the Interest Rate Swap Agreement; and
- (b) amounts standing to the credit of the Swap Collateral Ledger or representing amounts attributable to assets transferred as collateral by the Swap Counterparty following the occurrence of a ratings downgrade of the Swap Counterparty.

**“Talon”** 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 as further amended and restated on the Third 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 AB1 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 Facilities”** means the Term A1 Facility, the Term A2 Facility, the Term A3 Facility, the Term A4 Facility and the Term A5 Facility.

**“Term A1 Advance”** means a Term Advance under the Term A1 Facility.

**“Term A1 Facility”** means an Initial Term A1 Facility and/or a Further Term A1 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 Further Term A2 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 Further Term A3 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 Further Term A4 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 Further Term A5 Facility, as the context may require.

**“Term AB1 Advance”** means a Term Advance under the Term AB1 Facility.

**“Term AB1 Facility”** means a Third Term AB1 Facility and/or a Further Term AB1 Facility, as the context may require.

**“Term Advance”** means an Initial Term Advance, a Second Term Advance, a Third Term Advance, a Further Term Advance and/or a New Term Advance, as the context may require.

**“Term B1 Advance”** means a Term Advance under the Term B1 Facility.

**“Term B1 Facility”** means an Initial Term B1 Facility and/or a Further Term B1 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 Further Term B2 Facility, as the context may require.

**“Term Facility”** means an Initial Term Facility, a Second Term Facility, a Third 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) any 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, the 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, the Swap Counterparty and the Issuer Security Trustee together with a credit support annex relating to and forming part of the 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 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 Lead Manager.

“**Third Term Advance**” means any advance made under the Third Term Facilities.

“**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 AB1 Advance**” means the Third Term Advance under the Third Term AB1 Facility.

“**Third Term AB1 Facility**” has the meaning given to it in clause 2.3(b) of the Issuer/Borrower Facility Agreement.

“**Third Term Facilities**” means the Third Term A5 Facility and the Third Term AB1 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 Communities, 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 Third 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 Third 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 Depository. 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 Third 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.
- (d) 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.
- (e) 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 AB1 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 AB1 Notes and the Class B Notes.

**(b) Status and Ranking of the Class AB1 Notes**

The Class AB1 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 AB1 Notes rank *pari passu* without preference or priority amongst themselves and, payments of principal, premium (if any) and interest on the Class AB1 Notes (excluding any Step-Up Amounts) 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 AB1 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 AB1 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 AB1 Notes (except in relation to any Step-Up Amounts) 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 AB1 Notes (excluding any Step-Up Amounts) 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.

**(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 AB1 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) *Status, Ranking and Relationship between the Notes and the New Notes***

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 offering circular with the Stock Exchange and make the supplemental offering circular 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 36 of the Finance Act 1998;

**(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 Chapter IV of Part X of the Income and Corporation Taxes Act 1988 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 section 102 Finance Act 1989 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 and, in respect of the Class A5 Notes and the Class AB1 Notes, the Third 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 AB1 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 and 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 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);
- (B) the Class AB1 Notes (both prior to and following the Class AB1 Step-Up Date);
- (C) 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 AB1 Notes*

The Rate of Interest in respect of the Class AB1 Notes for each Interest Period (the “**Class AB1 Rate of Interest**”) shall be the aggregate of:

- (A) LIBOR; and
- (B) a margin of 2.10 per cent, per annum (the “**Class AB1 Margin**”) up to (but excluding) the Class AB1 Step-Up Date,

plus,

in addition to the Class AB1 Rate of Interest, from (and including) the Class AB1 Step-Up Date until the date on which the Class AB1 Notes have been redeemed in full, an additional step-up fee of 3.15 per cent. per annum (the “**Class AB1 Step-Up Fee**” and that part of any interest on the Class AB1 Notes referable to the Class AB1 Step-Up Fee and any interest accrued thereon being a “**Class AB1 Step-Up Amount**”).

(viii) *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**”).

(ix) *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, Class AB1 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 and the Class AB1 Notes for an Interest Period will be calculated by applying, from (and including) the Step-Up Date applicable to that class of Floating Rate Notes, the Step-Up Fee for such class of Floating Rate Notes to the Principal Amount Outstanding of the relevant class of Floating Rate 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) (*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 TSB 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 AB1 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in March 2036 (the “**Class AB1 Final Maturity Date**”);
- (vii) the Class B1 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in December 2034 (the “**Class B1 Final Maturity Date**”);
- (viii) 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 AB1 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 AB1 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 or any other Notes ranking senior to the Class AB1 Notes are outstanding, there will

be a deferral of the payment of any scheduled principal on the Class AB1 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 AB1 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 AB1 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 AB1 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
September 2016	15.82	4.16	17.60	0.00	6.67	—	0.00	0.00
December 2016	15.88	4.31	17.80	0.00	6.78	—	0.00	0.00
March 2017	15.93	4.45	18.04	0.00	6.88	—	0.00	0.00
June 2017	15.98	4.60	18.27	0.00	6.99	—	0.00	0.00
September 2017	16.02	4.76	18.50	0.00	7.08	—	0.00	0.00
December 2017	16.06	4.92	18.73	0.00	7.20	—	0.00	0.00
March 2018	16.09	5.08	18.99	0.00	7.30	—	0.00	0.00
June 2018	16.11	5.25	19.23	0.00	7.41	—	0.00	0.00
September 2018	16.13	5.42	19.49	0.00	7.52	—	0.00	0.00
December 2018	16.15	5.60	19.74	0.00	7.63	—	0.00	0.00
March 2019	16.16	5.79	19.98	0.00	7.75	—	0.00	0.00
June 2019	16.16	5.98	20.25	0.00	7.86	—	0.00	0.00
September 2019	16.15	6.18	20.50	0.00	7.98	—	0.00	0.00
December 2019	16.14	6.38	20.78	0.00	8.10	—	0.00	0.00
March 2020	16.12	6.59	21.04	0.00	8.22	—	0.00	0.00
June 2020	16.09	6.80	21.32	0.00	8.34	—	0.00	0.00
September 2020	16.06	7.03	21.58	0.00	8.47	—	0.00	0.00
December 2020	16.01	7.25	21.89	0.00	8.59	—	0.00	0.00
March 2021	15.96	7.49	22.15	0.00	8.73	—	0.00	0.00
June 2021	15.90	7.73	22.45	0.00	8.85	—	0.00	0.00
September 2021	15.82	7.98	16.28	4.15	8.99	—	0.00	0.00
December 2021	15.74	8.24	—	14.77	9.12	—	0.00	0.00
March 2022	15.65	8.50	—	14.95	9.27	—	0.00	0.00
June 2022	15.55	8.78	—	15.12	9.42	—	0.00	0.00
September 2022	15.43	9.06	—	15.30	9.57	—	0.00	0.00
December 2022	15.31	9.34	—	15.49	9.72	—	0.00	0.00
March 2023	15.17	9.64	—	15.67	9.87	—	0.00	0.00

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 AB1 Amortisation Amount (£) (per £1,000)	Class B1 Amortisation Amount (£) (per £1,000)	Class B2 Amortisation Amount (£) (per £1,000)
June 2023	15.02	9.95	—	15.86	10.03	—	0.00	0.00
September 2023	14.86	10.26	—	16.05	10.19	—	0.00	0.00
December 2023	14.68	10.59	—	16.23	10.36	—	0.00	0.00
March 2024	14.49	10.92	—	16.44	10.52	—	0.00	0.00
June 2024	14.29	11.27	—	16.62	10.69	—	0.00	0.00
September 2024	14.07	11.62	—	16.83	10.85	—	0.00	0.00
December 2024	13.84	11.98	—	17.03	11.03	—	0.00	0.00
March 2025	13.59	12.36	—	17.23	11.21	—	0.00	0.00
June 2025	13.32	12.74	—	17.44	11.39	—	0.00	0.00
September 2025	13.04	13.14	—	17.65	11.57	—	0.00	0.00
December 2025	12.74	13.55	—	17.86	11.75	—	0.00	0.00
March 2026	12.42	13.97	—	18.08	11.94	—	0.00	0.00
June 2026	12.08	14.40	—	18.30	12.13	—	0.00	0.00
September 2026	11.72	14.85	—	18.52	12.32	—	0.00	0.00
December 2026	11.35	15.31	—	18.73	12.52	—	0.00	0.00
March 2027	10.95	15.78	—	18.97	12.72	—	0.00	0.00
June 2027	10.53	16.26	—	19.20	12.92	—	0.00	0.00
September 2027	10.09	16.76	—	19.44	13.13	—	0.00	0.00
December 2027	9.62	17.27	—	19.67	13.34	—	0.00	0.00
March 2028	9.13	17.80	—	19.92	13.55	—	0.00	0.00
June 2028	8.62	18.34	—	20.16	13.76	—	0.00	0.00
September 2028	8.08	18.90	—	20.41	13.99	—	0.00	0.00
December 2028	7.52	19.47	—	20.66	14.20	—	0.00	0.00
March 2029	6.92	20.06	—	20.92	14.44	—	0.00	0.00
June 2029	6.30	20.67	—	21.17	14.67	—	0.00	0.00
September 2029	5.65	21.30	—	21.43	14.90	—	0.00	0.00
December 2029	4.97	21.94	—	21.70	15.13	—	0.00	0.00
March 2030	4.26	22.60	—	21.97	15.38	—	0.00	0.00
June 2030	3.52	23.28	—	22.24	15.62	—	0.00	0.00
September 2030	2.74	23.98	—	22.52	15.87	—	0.00	0.00
December 2030	1.92	24.70	—	22.80	16.12	—	0.00	0.00
March 2031	1.07	25.44	—	23.09	16.38	—	0.00	0.00
June 2031	0.07	26.25	—	23.39	16.64	—	0.00	0.00
September 2031	—	4.50	—	23.66	17.21	—	54.53	0.00
December 2031	—	—	—	23.96	17.49	—	66.53	0.00
March 2032	—	—	—	24.24	17.77	—	67.51	0.00
June 2032	—	—	—	24.54	18.04	—	68.50	0.00
September 2032	—	—	—	24.83	18.34	—	69.51	0.00
December 2032	—	—	—	25.13	18.62	—	70.53	0.00
March 2033	—	—	—	25.43	18.93	—	71.57	0.00
June 2033	—	—	—	25.73	19.23	—	72.62	0.00
September 2033	—	—	—	26.04	19.53	—	73.69	0.00
December 2033	—	—	—	26.36	14.14	27.55	74.77	0.00
March 2034	—	—	—	16.10	—	97.50	75.87	24.37
June 2034	—	—	—	—	—	99.30	76.99	62.25
September 2034	—	—	—	—	—	101.04	78.12	63.14
December 2034	—	—	—	—	—	102.87	79.26	64.03
March 2035	—	—	—	—	—	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 5 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 Conditions 7(c)(ii) 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 AB1 Notes, par;
- (E) any Class B2 Notes, par;
- (F) any Class B1 Notes on or at any time after the Interest Payment Date falling in March 2020, par; and
- (G) any Class A2 Notes, any Class A4 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 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 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;

**“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; and

“**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 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 5 Business Days’ prior written notice to the Noteholders, the 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 the 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 the 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 Third 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 Third Closing Date, the Issuer or the swap counterparty (or any other swap counterparty with which the Issuer may enter into a swap agreement) would be required to deduct or withhold from any payments in respect of the Interest Rate Swap Agreement or such other 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;
- (iii) by reason of a change of law, which change becomes effective on or after the Third 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:

- (A) that the Issuer has given not less than 5 Business Days' notice to the Note Trustee, and the Noteholders in accordance with Condition 17 (*Notices to Noteholders*); and
- (B) that the Issuer has provided to the Note Trustee:
  - (1) 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;

- (2) 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
- (3) 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:

- (1) first, *pro rata* and *pari passu* in or towards satisfaction of the Class A Notes;
- (2) second, *pro rata* and *pari passu* in or towards satisfaction of the Class AB1 Notes; and
- (3) 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 fewer than 5 Business Days’ notice of such redemption (such notice to expire on such Interest Payment Date).

**(f) *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.

**(g) 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*) and 7(d) (*Redemption, Purchase and Cancellation – Substitution/Redemption in Whole for Taxation Reasons*) 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.

**(h) Purchase by Issuer**

The Issuer may not at any time purchase any of the Notes.

**(i) 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.

**(j) 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 unexpired 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(c) (*Payments – Deductions for Unmatured Coupons for Fixed Rate Notes and Unmatured Coupons for Floating Rate Notes Void*) and 8(e) (*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) ***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 unmaturing 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*), unmaturing 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.

**(d) 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.

**(e) 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.

**(f) 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.

**(g) 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.

**(h) 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.

**(i) 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 shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes unless the Issuer or any Paying Agent is required by applicable law to make any payment in respect of the Notes or Coupons subject to any such withholding or deduction. In that event, the Issuer 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 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 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, Coupons or Receipts 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 5 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 the Liquidity Facility Reserve Account (which are to be paid directly and only

to the Liquidity Facility Provider); and (ii) amounts standing to the credit of the Swap Collateral Ledger or representing amounts attributable to assets transferred as collateral by the Swap Counterparty following the occurrence of a Swap Counterparty Downgrade (which are to be applied in returning collateral to, or in satisfaction of amounts owing by, the Swap Counterparty in accordance with the 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) (*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.

**(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.

**(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:

- (i) (in the case of the Class AB1 Notes) interest on the Class AB1 Notes;
- (ii) (in the case of the Class B Notes) interest on the Class B Notes; or
- (iii) (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 (*Subordination and Deferral*), payable in respect of (i) or (ii) (as the case may be) on such

Interest Payment Date, then there shall instead be payable in respect of (i) or (ii) (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 (i) or (ii) (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 paragraphs (i) or (ii) (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) (*Subordination and Deferral – Interest*) 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 AB1 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 AB1 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 AB1 Notes**

- (i) Subject to Condition 18(b)(ii), in the event that, on any Interest Payment Date, Available Issuer Revenue, after deducting all amounts payable in priority to principal on the Class AB1 Notes, (the “**AB1 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 AB1 Notes on such Interest Payment Date, there shall instead be payable in respect of the Class AB1 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 AB1 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 AB1 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 AB1 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 AB1 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 AB1 Notes, is sufficient to make such payment.

- (ii) For the avoidance of doubt, while any class of Notes ranking in priority to the Class AB1 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 AB1 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 AB1 Notes.

(c) **Principal – Class B Notes**

- (i) Subject to Condition 18(c)(ii), 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 AB1 Notes other than Class AB1 Step-Up Amounts) on the Class AB1 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, to Class AB1 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 AB1 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:

- (a) 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
- (b) 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 and the Class A5 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 AB1 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:

- (i) the aggregate principal amount of all such Additional Notes to be issued on such date is not less than £5,000,000;
- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) 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
- (vi) 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. European Economic and Monetary Union

### (a) Notice of redenomination

The Issuer may, without the consent of the Noteholders, on giving at least 30 days' prior notice to the Noteholders, the Trustee and the Paying Agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which the United Kingdom becomes a Participating Member State.

### (b) Redenomination

Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

- (i) the Notes shall be deemed to be redenominated into Euro in the denomination of Euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in pounds Sterling, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations) provided, however, that, if the Issuer determines, with the agreement of the Note Trustee, that the then market practice in respect of the redenomination into Euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, each stock exchange (if any) on which the Notes are then listed and the Paying Agents of such deemed amendments;
- (ii) if Notes have been issued in definitive form:
  - (A) the payment obligations contained in all Notes denominated in pounds Sterling will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 21) shall remain in full force and effect;
  - (B) new Notes denominated in Euro will be issued in exchange for Notes denominated in pounds Sterling in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Euro Exchange Notice;
- (iii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the pound Sterling ceases to be a sub-division of the Euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euro by cheque drawn on, or by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any Participating Member State; and
- (iv) a Note may only be presented for payment on a day which is Business Day in the place of presentation. In this Condition 21 "**Business Day**" means, in respect of any place of presentation, any day which is a day on which commercial banks are open for general business in such place of presentation and which is also a day on which the TARGET system is operating.

(c) **Interest**

Following redenomination of the Notes pursuant to this Condition 21:

- (i) where Notes have been issued in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes presented for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest Euro 0.01; and
- (ii) the amount of interest payable in respect of each Note for any Interest Period shall be calculated by:
  - (A) in the case of the Floating Rate Notes, applying the relevant Rate of Interest for such Interest Period to the principal amount of such Note during such Interest Period, multiplying the product by the actual number of days in such Interest Period divided by 360 and rounding the resulting figure down to the nearest Euro 0.01; and
  - (B) in the case of the Fixed Rate Notes, applying the relevant Rate of Interest to the principal amount of such Notes dividing the product by four and rounding the figure down to the nearest Euro 0.01, provided that if interest is required to be calculated in respect of a Fixed Rate Note for any period other than an Interest Period, it will be calculated on the basis of the actual number of days in the period divided by 365 (or, if any of the days in the period fall in a leap year, the sum of the number of those days falling in a leap year divided by 366, and the number of those days falling in a non-leap year divided by 365),

provided, however, that if the Issuer determines, with the agreement of the Note Trustee, that the market practice in respect of internationally offered Euro denominated securities is different from that specified in either (i) or (ii) above for a particular Class of Notes, the above shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, each stock exchange (if any) on which the Notes are then listed and the Paying Agents of such deemed amendment.

**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 and the Talons are governed by English law.

## UNITED KINGDOM TAXATION

*The following, which applies only to persons who are the absolute beneficial owners of the Third Issue Notes and who hold the Third Issue Notes as investments, is a summary of the Issuer's understanding of current law and practice in the United Kingdom as at the date of this Offering Circular relating to certain aspects of the United Kingdom taxation of the Third Issue Notes. Special rules may apply to certain classes of taxpayer (such as dealers and Noteholders who are connected or associated with the Issuer for relevant tax purposes). Prospective Noteholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.*

### **Interest on the Third Issue Notes**

The Third 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 Third Issue Notes may be made without withholding on account of UK income tax provided the Third 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%), assuming that the relevant provisions of the Finance Bill 2008 are enacted as currently drafted, subject to any direction to the contrary by H.M. Revenue & Customs under an applicable double taxation treaty, and except that the withholding obligation is disapplied in respect of payments to Noteholders who the Issuer reasonably believes are either a UK resident company or a non-UK resident company carrying on a trade in the UK through a permanent establishment which is within the charge to corporation tax in respect of interest on the Third Issue Notes, or fall within various categories enjoying a special tax status (including charities and pension funds), or are partnerships consisting of such persons (unless H.M. Revenue & Customs direct otherwise). 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*)).

Interest on the Third Issue Notes constitutes UK source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding. However, interest with a UK source received without deduction or withholding on account of UK tax will not be chargeable to UK tax in the hands of a Noteholder who is not resident for tax purposes in the UK unless that Noteholder: (i) carries on a trade, profession or vocation in the UK through a UK 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 Third Issue Notes are attributable; or (ii) is a trustee of a trust with a UK 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.

Any Paying Agent or other person by or through whom interest is paid to, or by whom interest is received on behalf of, an individual (whether resident in the UK or elsewhere) may be required to provide information in relation to the payment and the individual concerned to H.M. Revenue & Customs. H.M. Revenue & Customs may communicate such information to the tax authorities of other jurisdictions.

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required, from 1 July 2005 to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person within its jurisdiction to or for an individual in another Member State, except that Austria, Belgium and Luxembourg will instead impose a withholding system in relation to such payments, deducting tax at rates rising over time to 35%, for a transitional period unless during such period they elect otherwise. The transitional period is to

terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Also with effect from 1 July 2005, a number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their respective jurisdictions to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

No withholding will be required where the Noteholder authorises the person making the payment to report the payment or presents a certificate from the relevant tax authority establishing exemption therefrom (whichever method or methods is or are applicable under national law implementing the Directive). The attention of Noteholders is once again drawn to Condition 9 (*Taxation*).

## **Transfer of the Notes**

### ***UK corporation taxpayers***

In general Noteholders which are within the charge to UK corporation tax (other than investment trusts, venture capital trusts, authorised unit trusts and open-ended investment companies) will be treated for tax purposes as realising profits, gains or losses (including exchange gains and losses) in respect of the Third 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 UK corporation tax purposes.

Noteholders that are investment trusts, venture capital trusts, authorised unit trusts or open-ended investment companies will be subject to the same taxation treatment in respect of the Third Issue Notes as other Noteholders that are within the charge to UK corporation tax, other than with respect to profits, gains or losses carried to or sustained by a capital reserve in the case of investment trusts and venture capital trusts, and other than with respect to profits, gains or losses which fall to be dealt with under certain headings for gains/losses in the statement of total return for the accounting period in respect of the Third Issue Notes in the case of authorised unit trusts and open-ended investment companies (or for those investment trusts, venture capital trusts, authorised unit trusts or open-ended investment companies preparing accounts in accordance with international financial reporting standards, profits, gains or losses specified by order made by the Treasury). Such capital profits, gains or losses will not be brought into charge to UK corporation tax.

### ***Other UK taxpayers***

#### ***Taxation of Chargeable Gains***

The Third Issue Notes may not be treated by H.M. Revenue & Customs as constituting "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992 because there is a provision for the Third Issue Notes to be redeemed in or redenominated in euros. Therefore a disposal (including a redemption) of a Third Issue Note by a Noteholder who is resident or ordinarily resident in the UK or who carries on a trade in the UK through a branch or agency to which the Third Issue Note is attributable and who is not subject to UK corporation tax in respect of the Third Issue Note may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains. If by contrast the Third Issue Notes are treated as "qualifying corporate bonds", a disposal by a Noteholder will not give rise to any such chargeable gain or allowable loss.

### *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 Third Issue Notes, to Noteholders who are resident or ordinarily 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 A2 Note with accrued interest or a Class A4 Note 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.

As a result of the Step-Up Amounts, the Class A1 Notes, the Class A3 Notes, the Class A5 Notes, the Class AB1 Notes, the Class B1 Notes and the Class B2 Notes will be treated as “variable rate securities” for the purposes of the Scheme. Accordingly, the Scheme may apply to deem the transferor of a Class A1, a Class A3, a Class A5, a Class AB1, a Class B1 or a Class B2 Note to receive interest on the relevant Third Issue Note which has accrued since the preceding interest payment date in such amount as is just and reasonable. A transferee of a Class A1 Note, a Class A3 Note, a Class A5 Note, a Class AB1 Note, a Class B1 Note or a Class B2 Note with accrued interest will not be entitled to any allowance under the Scheme.

### **Stamp Duty and Stamp Duty Reserve Tax**

No stamp duty or stamp duty reserve tax is payable on issue of the Third Issue Notes or on a transfer of the Third Issue Notes by delivery.

## SUBSCRIPTION AND SALE

The Royal Bank of Scotland plc acting through its office at 135 Bishopsgate, London EC2M 3UR (the “**Lead Manager**”) has, pursuant to a subscription agreement (the “**Third Subscription Agreement**”) between, *inter alios*, the Lead Manager, the Issuer, the Obligors, GKRNo.2 and Greene King dated 26 June, 2008, agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe, or to procure subscriptions for, the Class A5 Notes at the issue price of 99.95 per cent. of their initial principal amount and the Class AB1 Notes at the Issue Price of 99.95 per cent. of their initial principal amount.

In the Third Subscription Agreement, each of the Issuer, the Obligors and Greene King has agreed to reimburse the Lead Manager for certain of their fees, costs and expenses in connection with the issue of the Third Issue Notes and related matters and each of the Issuer, the Obligors and Greene King has agreed to indemnify the Lead Manager against certain liabilities incurred by it in connection therewith.

The Third Subscription Agreement is subject to a number of conditions and may be terminated by the Lead Manager in certain circumstances prior to payment for the Third Issue Notes to the Issuer.

### **United Kingdom**

The Lead Manager has represented in the Third Subscription Agreement, among other things, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of any Third Issue Notes in circumstances in which section 21(1) of FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Third Issue Notes in, from or otherwise involving the United Kingdom.

### **United States**

The Third Issue Notes 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, US persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this section have the meaning given to them by Regulation S under the Securities Act and by the United States Internal Revenue Code 1986, as amended, and regulations thereunder, including the D Rules.

The Lead Manager has represented and agreed in the Third Subscription Agreement that it has not offered or sold, and will not offer or sell, the Third Issue Notes (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 Third Issue Notes and the Third Closing Date, except in accordance with Rule 903 of Regulation S under the Securities Act 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 Third Issue Notes; and
- (b) it and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

The Lead Manager has also undertaken in the Third 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 Third Issue Notes from it during the restricted period a confirmation or notice 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 and the Third 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) the 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 Third Issue 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 Third Issue Notes that are sold during the restricted period;
- (b) the 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 Third Issue Notes are aware that the Third Issue 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 the Lead Manager is a United States person, the Lead Manager has represented that it is acquiring the Third Issue Notes for purposes of resale in connection with their original issue and if it retains Third Issue 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 the Lead Manager which acquires Third Issue Notes from it for the purpose of offering or selling such Third Issue Notes during the restricted period, the Lead Manager has either (i) repeated and confirmed the representations and agreements contained in paragraphs (a), (b) and (c) 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).

## **Ireland**

The Lead Manager has represented, warranted and undertaken that:

- (i) it will not underwrite or place Third Issue Notes otherwise than in conformity with the provisions of the Investment Intermediaries Act, 1995 of Ireland, as amended, including, without limitation, sections 9 and 23 (including advertising restrictions made thereunder) thereof and the codes of conduct made under section 37 thereof or, in the case of a credit institution exercising its rights under the Banking Consolidation Directive (2000/12/EC of 20 March, 2000) in conformity with the codes of conduct or practice made under section 117(1) of the Central Bank Act, 1989, of Ireland, as amended;
- (ii) in connection with offers or sales of Third Issue Notes, it has only issued or passed on, and will only issue or pass on, in Ireland, any document received by it in connection with the issue of such Third Issue Notes to persons who are persons to whom the documents may otherwise lawfully be issued or passed on; and
- (iii) in respect of a local offer (within the meaning of section 38(1) of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (the “**2005 Act**”)) of Third Issue Notes in Ireland, it has complied and will comply with section 49 of the 2005 Act.

## France

This Offering Circular has not been prepared in the context of a public offer of securities in the Republic of France within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulations of the *Autorité des marchés financiers* and has therefore not been and will not be submitted to the clearance procedures of the *Autorité des marchés financiers* or the competent authority of another Member State of the European Economic Area and notified to the *Autorité des marchés financiers*.

The Lead Manager has represented and agreed that it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly, or indirectly, the Third Issue Notes to the public in the Republic of France and that any offers, sales or other transfers of the Third Issue Notes in the Republic of France will be made in accordance with Articles L. 411-2 of the French Monetary and Financial Code only to:

- (i) qualified investors (*investisseurs qualifiés*) acting for their own account; and/or
- (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) acting for their own account, all as defined in Articles D. 411-1 and D. 411-2 of the French Monetary and Financial Code; and/or
- (iii) persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); and/or
- (iv) investors investing each at least Euro 50,000 per transaction, provided that the Issuer is a French *société anonyme* or *société en commandite par actions* or a foreign limited company with a similar status.

In addition, the Lead Manager has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France this Offering Circular or any other offering material relating to the Third Issue Notes other than to investors to whom offers, sales or other transfers of the Third Issue Notes in the Republic of France may be made as described above.

## Belgium

The offering of the Third Issue Notes does not constitute a public offering in Belgium. The Third Issue Notes will only be sold and may only be acquired against a minimum consideration of Euro 50,000. The offering has not been and will not be notified to, and this Offering Circular or any other offering material relating to the Third Issue Notes has not been and will not be approved by the Belgian Banking, Finance and Insurance Commission (*Commission bancaire, financière et des assurances/Commissie voor het Bank-, Financie- en Assurantiewezen*). Any representation to the contrary is unlawful.

The Lead Manager has undertaken not to offer sell, resell, transfer or deliver, or to take any steps thereto, directly or indirectly, any Third Issue Notes, and not to distribute or publish this Offering Circular or any other material relating to the Third Issue Notes or the offering in a manner which would be construed as (i) a public offering under the Belgian Royal Decree of 7 July, 1999 on the public character of financial transactions or (ii) an offering of Third Issue Notes to the public under Directive 2003/71/EC which triggers an obligation to publish a prospectus in Belgium.

Any action contrary to these restrictions will cause the recipient and the Issuer to be in violation of the Belgian securities laws.

## **General**

Reference should be made to the Third Subscription Agreement for a complete description of the restrictions on offers and sales of the Notes and on distribution of documents. Attention is also drawn to the inside cover of this Offering Circular.

The Lead Manager has undertaken not to offer or sell, directly or indirectly, any Third Issue Notes, or to distribute or publish this Offering Circular or any other material relating to the Third Issue Notes, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

This Offering Circular does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any country or jurisdiction where such an offer or solicitation is not authorised.

## GENERAL INFORMATION

1. The issue of the Third Issue Notes has been authorised by a resolution of the Board of Directors of the Issuer passed on 24 June, 2008.
2. Application has been made by the Issuer through the listing agent, Arthur Cox Listing Services Limited (“**ACLSL**”) to the IFSRA, as competent authority under the Prospectus Directive, for this Offering Circular to be approved. Application has been made to the Stock Exchange for the Third Issue Notes to be admitted to the official list of the Stock Exchange (the “**Official List**”) and to trading on the Stock Exchange’s regulated market. The Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC.
3. It is expected that the listing of the Third Issue Notes on the Official List of the Stock Exchange will be granted on the Third Closing Date, subject only to the issue of the relevant Temporary Global Notes. The listing of the Third Issue Notes will be cancelled if any of the relevant Temporary Global Notes are not issued.
4. ACLSL is acting solely in its capacity as listing agent for the Issuer in connection with Third 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.
5. The Third Issue Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code and the ISIN for each class of the Third Issue Notes is as follows:

	<b>Common Code</b>	<b>ISIN</b>
Class A5 Notes.....	037204579	XS0372045798
Class AB1 Notes.....	037204714	XS0372047141

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, nor is the Issuer aware that any such proceedings are pending or threatened.
7. None of the Obligors is involved in any legal, arbitration or governmental proceedings which may have, or have had, during the 12 months preceding the date of this Offering Circular a significant effect on the Securitisation Group’s or the Issuer’s financial position, nor are the Obligors 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 Offering Circular, entered into any contracts or arrangements not being in its ordinary course of business.
10. The auditors of the Issuer and the Securitisation Group are Ernst & Young LLP. Ernst & Young LLP are a member of the Institute of Chartered Accountants in England and Wales.
11. Gerald Eve 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. 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. Save as disclosed herein, there has been no material adverse change in the financial or trading position of the Initial Borrower or the Securitisation Group since the date of the applicable last published audited financial statements.

13. Save as disclosed in this Offering Circular, 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.
14. 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 Third Closing Date for each of the Obligors will end on 30 April, 2009. The first financial year after the Third Closing Date in respect of the Issuer will end on 30 April, 2009.
15. Any website (or the contents thereof) referred to in this Offering Circular does not form part of this Offering Circular as approved by the Stock Exchange.
16. The total expenses related to admission of the Third Issue Notes to trading are estimated at £7,000,000.
17. There are no restrictions on the Lead Manager, *inter alia*, acquiring Third 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 Lead Manager having different roles in this transaction and/or carrying out other transactions for third parties. In addition to acting as Arranger and Lead Manager, The Royal Bank of Scotland plc will also continue to act as Swap Counterparty under the Interest Rate Swap Agreement and Liquidity Facility Provider under the Liquidity Facility Agreement.
18. 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 Offering Circular and for so long as any of the Third Issue Notes remains outstanding:
  - (a) the memorandum and articles of association of the Issuer and each Obligor;
  - (b) the financial statements of the Issuer for the years ended 30 April, 2006 and 29 April 2007;
  - (c) the financial statements of the Initial Borrower for the years ended 30 April, 2006 and 29 April, 2007;
  - (d) the Valuation Report;
  - (e) the Third Subscription Agreement;
  - (f) the consent referred to in paragraph 11 above; and
  - (g) prior to the Third Closing Date, drafts (subject to modification) and after the Third Closing Date, copies of the following documents:
    - (i) the Second Master Amendment Deed;
    - (ii) the Second Supplemental Issuer Deed of Charge;
    - (iii) the Second Supplemental Borrower Deed of Charge;
    - (iv) the Original Note Trust Deed and the Second Supplemental Note Trust Deed;
    - (v) the Agency Agreement;

- (vi) the Original Issuer Deed of Charge and the First Supplemental Issuer Deed of Charge;
- (vii) the Interest Rate Swap Agreement;
- (viii) the Liquidity Facility Agreement;
- (ix) the Issuer/Borrower Facility Agreement;
- (x) the Original Borrower Deed of Charge and First 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.

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