

# **W&DB**

## **W&DB ISSUER PLC**

*(incorporated in England and Wales with limited liability under company number 05135049)*

**£236,000,000 Class A1 Secured Floating Rate Notes due 2020 Issue Price: 100 per cent.**

**£214,000,000 Class A2 Secured Fixed/Floating Rate Notes due 2027 Issue Price: 100 per cent.**

**£200,000,000 Class A3 Secured Fixed/Floating Rate Notes due 2032 Issue Price: 100 per cent.**

**£155,000,000 Class B Secured Fixed/Floating Rate Notes due 2035 Issue Price: 100 per cent.**

### **Source of Payment**

The primary source of funds for the payment of principal and interest on the £236,000,000 Class A1 Secured Floating Rate Notes due 2020 (the “**Class A1 Notes**”), the £214,000,000 Class A2 Secured Fixed/Floating Rate Notes due 2027 (the “**Class A2 Notes**”), the £200,000,000 Class A3 Secured Fixed/Floating Rate Notes due 2032 (the “**Class A3 Notes**” and together with the Class A1 Notes and the Class A2 Notes, the “**Class A Notes**”) and the £155,000,000 Class B Secured Fixed/Floating Rate Notes due 2035 (the “**Class B Notes**” and together with the Class A Notes, the “**Notes**”) will be the right of W&DB Issuer PLC (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, Trading and the Borrower Security Trustee dated on or about the Closing Date.

### **Application to the London Stock Exchange**

Application has been made to the Financial Services Authority (the “**FSA**”) in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (the “**FSMA**”), the “**UK Listing Authority**” for the Notes to be admitted to the Official List maintained by the FSA acting in its capacity as competent authority for the purposes of Part VI of the FSMA and application will be made to the London Stock Exchange plc (the “**Stock Exchange**”) for the Notes to be admitted to trading on the Stock Exchange’s Gilt Edged and Fixed Income Market by the Stock Exchange. The Stock Exchange’s Gilt Edged and Fixed Income Market is a regulated market for the purposes of Directive 92/222/EC (the “**Investment Services Directive**”). This Offering Circular comprises a prospectus with regard to the Issuer and the Notes for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”) and has been approved by the UK Listing Authority acting in its capacity as competent authority for the purposes of Part VI of the FSMA in accordance with the rules made under Part VI of the FSMA.

### **Obligations of Issuer Only**

The 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 document. It should be noted, in particular, that the Notes will not be obligations or responsibilities of, and will not be guaranteed by, the Arranger, the Managers, the Issuer Security Trustee, the Note Trustee, the Paying Agents, the Agent Bank, the Swap Counterparty, the Liquidity Facility Provider, the Account Bank, the Corporate Services Provider, Trading, the Borrower Security Trustee, the Securitisation Group Parent, the Borrowers, the Issuer Parent, The Wolverhampton & Dudley Breweries, PLC (“**W&DB**”) (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 A 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 B 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 Step-Up Amounts or any redemption premium. The payment of Step-Up Amounts is subordinated, *inter alia*, to the payment of interest 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 factors, which should be considered in connection with an investment in the Notes, is set out in the section entitled “**Risk Factors**” below.

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

*Lead Arranger*



*The Royal Bank of Scotland*

*Joint Lead Managers*



*The Royal Bank of Scotland*

Offering Circular dated 5 August, 2005

## **Responsibility Statement**

The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this document 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 severally accepts responsibility for all the information contained in this document relating to each of its businesses and to the sections entitled “*Description of the Business*”, “*Corporate Reorganisation*”, “*Management*” and “*Summary Details of Key Member Companies of the W&DB 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. The Valuer (as defined herein) accepts responsibility for all the information contained in this document relating to the section entitled “*Valuation Report on the Securitisation Estate*” and, to the best of its 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. The information contained in the valuation report in the section entitled “*Valuation Report on the Securitisation Estate*” has been prepared at the request of the Issuer.

## **Representations about the Notes**

No person has been authorised in connection with the issue and sale of Notes to make any representation or provide any information other than as contained in this document. 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 Managers, 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 Managers, the Paying Agents, the Agent Bank, the Swap Counterparty, the Liquidity Facility Provider, the Account Bank, 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 document or any other information supplied in connection with the Notes or their distribution. The statements in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this document acknowledges that such person has not relied on the Arranger, the Managers, the Paying Agents, the Agent Bank, the Swap Counterparty, the Liquidity Facility Provider, the Account Bank, the Corporate Services Provider, the Issuer Security Trustee, the Note Trustee, the Borrower Security Trustee or on any other person affiliated with any of them in connection with any investigation of the accuracy of the information or its investment decision.

## **Financial condition of the Issuer, the Securitisation Group and the W&DB Group**

Neither the delivery of this document nor the offer, sale, allocation, solicitation or delivery of any 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 W&DB Group (as a whole) or the information contained herein since the date of this document.

### **Summary of Selling Restrictions**

Neither this document nor any part hereof constitutes an offer of, or an invitation to subscribe for or purchase, any Notes.

The distribution of this document and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. None of the Issuer, the Other Parties or any other member of the W&DB Group or any of their respective affiliates or advisers represent that the 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 document (or any part hereof) comes are required by the Issuer and the Managers to inform themselves about, and to observe, any such restrictions.

In particular, the 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 Notes in bearer form that are subject to United States tax law requirements. The Notes are being offered outside the United States by the Managers 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 Notes and on distribution of this document, see the section entitled “Subscription and Sale” below.

### **Currency**

In this document, 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 issue of the Notes, each of The Royal Bank of Scotland plc, HSBC Bank plc and Barclays Bank PLC (each a “**Stabilising Manager**” and together, the “**Stabilising Managers**”) (or persons acting on behalf of a Stabilising Manager) may, to the extent permitted by applicable laws and directives, over-allot Notes (provided that the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that each of the Stabilising Managers (or persons acting on behalf of a 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 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 Notes and 60 days after the date of the allotment of the Notes.

### **Interpretation**

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

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## OVERVIEW OF THE TRANSACTION

*The following is an overview 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 document.*

### **The Issuer and the Securitisation Group**

The Issuer has been incorporated as a special purpose company for the purpose of raising funds through the issuance of the Notes which will be on-lent to the Initial Borrower. As at the Closing Date, the Initial Borrower will be the principal operating company of the Securitisation Estate and its principal source of income will be 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. The Initial Borrower (and any Additional Borrowers) and the Securitisation Group Parent are referred to in this document 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 W&DB Group as at the Closing Date*” below for a diagrammatic representation of the corporate structure of the companies within the Securitisation Group.

### **Issue of the Notes and Use of Proceeds**

On or about 9 August, 2005 (or such later date as may be agreed between the Issuer and The Royal Bank of Scotland plc (in such capacity, the “**Arranger**”)) (the “**Closing Date**”), the Issuer will lend the gross proceeds of the issuance of the Notes to the Initial Borrower by way of Initial Term Advances pursuant to the Issuer/Borrower Facility Agreement. The maturity date and loan payment dates in respect of each Initial Term Advance will correspond to the class of Notes that funded such Initial Term Advance.

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

The payment of interest and repayment of principal by the Initial Borrower in respect of the Initial 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 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 Initial Term A1 Advance and, on and following the Interest Payment Date falling in July 2019 (the “**Class A2 Step-Up Date**”), in respect of the Initial Term A2 Advance and, on and following the Interest Payment Date falling in April 2027 (the “**Class A3 Step-Up Date**”), in respect of the Initial Term A3 Advance and, on and following the Interest Payment Date falling in July 2019 (the “**Class B Step-Up Date**”), in respect of the Initial Term B 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 with respect to the Initial Term A1 Advance and, on and following the Class A2 Step-Up Date, the Initial Term A2 Advance and, on and following the Class A3 Step-Up Date, the Initial Term A3 Advance and, on and following the Class B Step-Up Date, the Initial Term B Advance.

In the event that the Issuer has insufficient funds to make payments on the Notes (other than in respect of any Step-Up Amount (as defined in the Conditions)) 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 will 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 will, pursuant to the Issuer/Borrower Facility Agreement, also guarantee each of the payment obligations of each other Obligor under the Borrower Transaction Documents. See the sections entitled "*Corporate Structure of the W&DB Group as at the Closing Date*" below for a diagrammatic representation of the corporate structure of each of the W&DB 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 will be secured by the Issuer (a) granting fixed security and floating security over all or substantially all of its property, undertaking and assets and (b) assigning its 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**

The Issuer will on the Closing Date enter 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 A2 Step-Up Date, the Class A2 Notes, and, from (and including) the Class A3 Step-Up Date, the Class A3 Notes, and, from (and including) the

Class B Step-Up Date, the Class B 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 5 August, 2005 (the “**Valuation Report**”) issued by Christie & Co of 39 Victoria Street, London SW1H 0EU (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 open market value (assuming its existing use as a portfolio of pubs) of £1,170,000,000 as at 2 July, 2005, being the date of the valuation set out in the Valuation Report.

For a diagrammatic overview of the transaction described in this document, 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 Closing Date, the Initial Borrower will acquire (as to which see further the section entitled “*Corporate Reorganisation*” below) 1,592 pubs which will form the Securitisation Estate. The following table sets forth certain unaudited, financial information for the 1,592 pubs comprising the Securitisation Estate on an aggregated basis for the 52 weeks ended 27 September, 2003, the Adjusted 52 weeks ended 25 September, 2004 and the Adjusted 52 weeks ended 2 April, 2005.

	Unaudited, aggregated financial information		
	52 weeks ended 27 September, 2003 £m	Adjusted 52 weeks ended 25 September, 2004 £m	Adjusted 52 weeks ended 2 April, 2005 £m
Turnover	302	314	323
Cost of sales	(103)	(104)	(106)
Gross profit	<b>199</b>	<b>210</b>	<b>217</b>
House operating costs	(98)	(100)	(102)
Aggregated EBITDA	<b>101</b>	<b>110</b>	<b>115</b>
Number of pubs at period end:			
Tenanted pubs	1,156	1,211	1,238
Managed pubs	379	371	354
	<b>1,535</b>	<b>1,582</b>	<b>1,592</b>

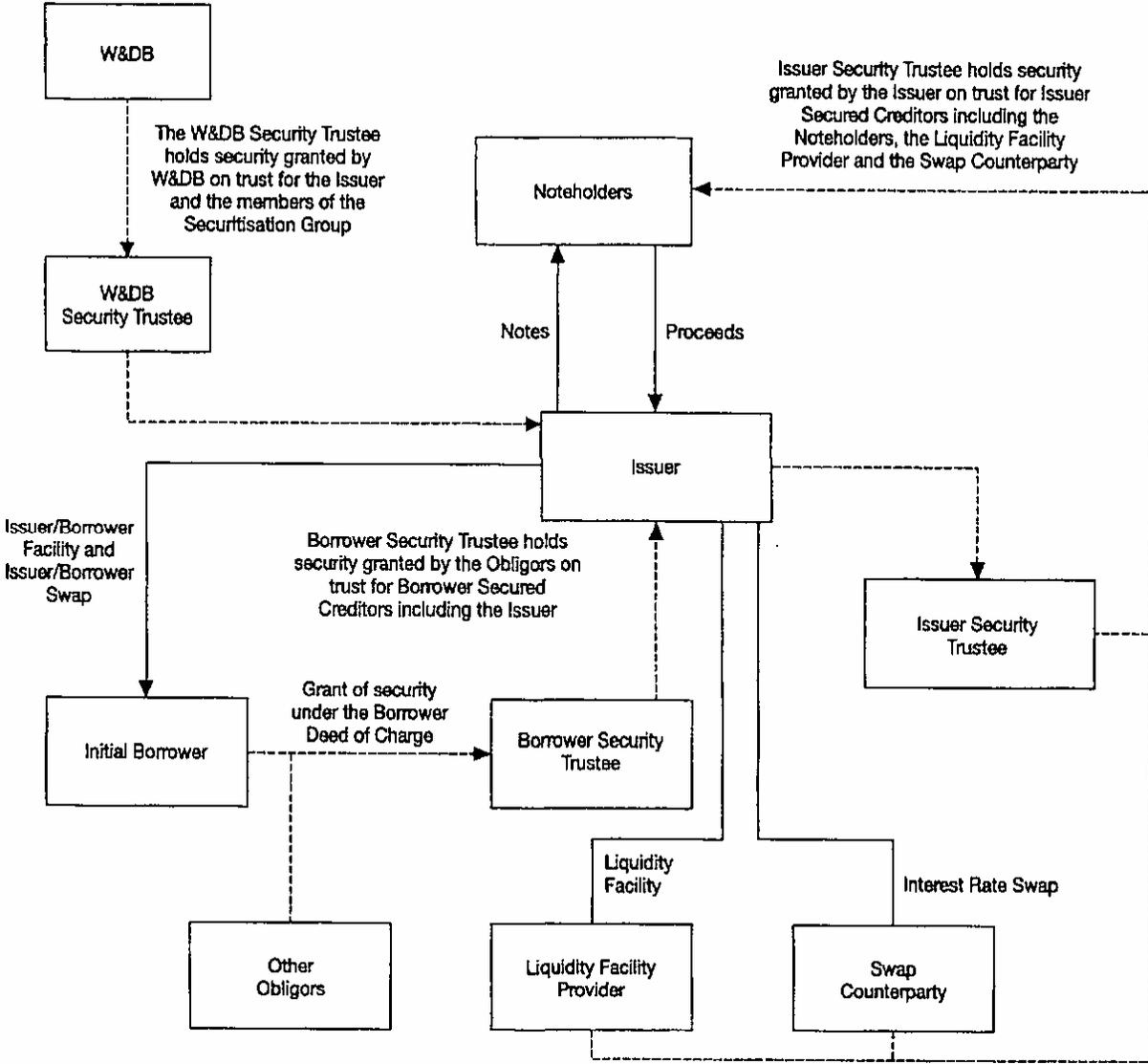
#### Notes:

- The unaudited, aggregated financial information has been prepared by aggregating the relevant financial information in respect of the pubs which, from the Closing Date, will comprise the Securitisation Estate. This has been prepared by aggregating for each respective period (subject to the adjustment explained in note 2 below) the following:
  - in respect of pubs held by the W&DB Group throughout the period, the relevant financial information extracted from the records of the W&DB Group;
  - in respect of pubs acquired as part of the acquisition of Burtonwood Group Limited (formerly Burtonwood PLC), the relevant financial information for each period, including the period prior to acquisition by the W&DB Group, extracted from the records of Burtonwood Group Limited and, subsequent to the acquisition, from the records of the W&DB Group; and
  - in respect of other acquisitions, the relevant financial information, only for the period post acquisition, extracted from the records of the W&DB Group.
- In respect of the Adjusted 52 weeks ended 25 September, 2004, the unaudited, aggregated financial information has been prepared from the respective information described above for the 53 week period ended 2 October, 2004. In respect of the Adjusted 52 weeks ended 2 April, 2005, the unaudited, aggregated financial information has been prepared from the respective information described above for the 53 week period ended 2 April, 2005. In both cases, such financial information has been subject to an adjustment to eliminate the estimated trading result for one week in order to provide comparability of the various periods.
- During the periods covered by the unaudited, aggregated financial information, 112 pubs included in the Securitisation Estate were transferred from a managed to a tenanted format. The unaudited, aggregated

financial information includes the relevant financial information of these pubs on a managed basis up to the date of transfer and on a tenanted basis thereafter.

4. The Adjusted 52 weeks ended 2 April, 2005, includes estimated amounts of incremental turnover and EBITDA of £1.5 million and £0.8 million respectively as a result of Easter occurring in both March 2005 and April 2004.
5. Direct house operating costs include an allocation of the divisional and central overheads related to operating the entire W&DB Group pub estate. The allocation of such overheads to the Securitisation Estate in each period has been based on the divisional and central overheads calculated for the 53 weeks ended 2 October, 2004 and average overhead costs per pub derived therefrom, calculated separately for managed and tenanted pubs by reference to the entire W&DB Group pub estate.
6. The above table excludes income from unlicensed premises, which for the Adjusted 52 weeks ended 2 April, 2005 was £0.4 million. Such income will be included within the statutory reporting of the Initial Borrower from the Closing Date.

### DIAGRAMMATIC OVERVIEW OF THE TRANSACTION





## SUMMARY OF THE TERMS AND CONDITIONS OF THE 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 document.*

### **Key characteristics of the Notes**

	<b>Class A1 Notas</b>	<b>Class A2 Notes</b>	<b>Class A3 Notes</b>	<b>Class B Notes</b>
Issue Price	100 per cent.	100 per cent.	100 per cent.	100 per cent.
Denomination of Notes <sup>1</sup>	£50,000 or in increments of £1,000 thereafter	£50,000 or in increments of £1,000 thereafter	£50,000 or in increments of £1,000 thereafter	£50,000 or in increments of £1,000 thereafter
Aggregate Principal Amount on Issue	£236,000,000	£214,000,000	£200,000,000	£155,000,000
Interest Rate	3-month LIBOR**** plus a margin of 0.55 per cent. per annum up to (but excluding) the Interest Payment Date falling in July 2012 and thereafter 3-month LIBOR plus a margin of 0.55 per cent. per annum and a further margin of 0.825 per cent. per annum	5.1578 per cent. per annum up to (but excluding) the Interest Payment Date falling in July 2019 and thereafter 3-month LIBOR plus a margin of 0.53 per cent. per annum and a further margin of 0.79 per cent. per annum	5.1774 per cent. per annum up to (but excluding) the Interest Payment Date falling in April 2027 and thereafter 3-month LIBOR plus a margin of 0.58 per cent. per annum and a further margin of 0.87 per cent. per annum	5.6410 per cent. per annum up to (but excluding) the Interest Payment Date falling in July 2019 and thereafter 3-month LIBOR plus a margin of 1.02 per cent. per annum and a further margin of 1.53 per cent. per annum
Payment Dates for Interest and Principal Payments	15 October, 15 January, 15 April and 15 July of each year (subject to adjustment for non-business days) the first Interest Payment Date being 15 October, 2005 and the first Interest Period being from (and including) the Closing Date to (but excluding) 15 October, 2005	15 October, 15 January, 15 April and 15 July of each year (subject to adjustment for non-business days), the first Interest Payment Date being 15 October, 2005 and the first Interest Period being from (and including) the Closing Date to (but excluding) 15 October, 2005	15 October, 15 January, 15 April and 15 July of each year (subject to adjustment for non-business days), the first Interest Payment Date being 15 October, 2005 and the first Interest Period being from (and including) the Closing Date to (but excluding) 15 October, 2005	15 October, 15 January, 15 April and 15 July of each year (subject to adjustment for non-business days), the first Interest Payment Date being 15 October, 2005 and the first Interest Period being from (and including) the Closing Date to (but excluding) 15 October, 2005
Final Maturity Date	July 2020	October 2027	July 2032	July 2035
Expected Average Life*	5.9 years	13.9 years	21.7 years	13.9 years
Expected Maturity Date*	July 2012	July 2019	April 2027	July 2019
Frequency of Scheduled Mandatory Redemption	In accordance with Condition 7(b)	In accordance with Condition 7(b)	In accordance with Condition 7(b)	In accordance with Condition 7(b)
Early Redemption Price	No early redemption permitted prior to the Interest Payment Date falling in October 2006 and thereafter 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 July 2019 and thereafter 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 April 2027 and thereafter 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 July 2019 and thereafter par
Interest Accrual Method	Actual/365	Prior to the Interest Payment Date falling in July 2019, Actual/Actual and thereafter Actual/365	Prior to the Interest Payment Date falling in April 2027, Actual/Actual and thereafter Actual/365	Prior to the Interest Payment Date falling in July 2019, Actual/Actual and thereafter Actual/365
Frequency of Payment of Interest	Quarterly	Quarterly	Quarterly	Quarterly
Form of Notes at Issue	Bearer Form	Bearer Form	Bearer Form	Bearer Form
Clearing System	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg
Credit Enhancement** (provided by other classes of Notes subordinated to the relevant class)	Subordination of the Class B Notes	Subordination of the Class B Notes	Subordination of the Class B Notes	NB
Application for Exchange Listing	London	London	London	London
ISIN	XS0226787280	XS0226790748	XS0226792280	XS0226897030
Common Code	022678728	022679074	022679228	022669703
Expected Rating - S&P***	A	A	A	BBB
Expected Rating - Fitch***	A	A	A	BBB

- \* *Assumes the Notes are redeemed on the relevant Step-Up Date and no other early redemption in respect of any Notes.*
  - \*\* *Provided that, in certain circumstances, the Class B Notes may be redeemed prior to the redemption of the Class A Notes (see the section entitled “Investment Considerations - Priorities in respect of the Notes” below).*
  - \*\*\* *No rating is given in respect of Step-up Amounts or payments in respect of redemption premium.*
  - \*\*\*\* *In the case or the first Interest Period, this will be the annual rate obtained by linear Interpolation of LIBOR for two-month sterling deposits and LIBOR for three-month sterling deposits.*
1. In relation to the Notes and denomination, see Condition 2 (*Form, Denomination and Title*).

## **Further Characteristics of the Notes**

### ***Ranking***

The obligations of the Issuer in respect of the Class A1 Notes, the Class A2 Notes and the Class A3 Notes (other than in respect of any Class A1 Step-Up Amounts) will rank *pari passu* in point of security and as to payments of interest and principal.

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 Amount) 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 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 are 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 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 and the Class B 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 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) will each rank ahead of its obligations in respect of the Notes.

### ***Security for the Notes***

On the Closing Date, the Issuer will, pursuant to a deed of charge to be entered into on the Closing Date between, *inter alios*, the Issuer and the Issuer Security Trustee (the "**Issuer Deed of Charge**"), create 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 Account Bank, SPV Management 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.

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 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 and to the Paying Agents and the Agent Bank under the Agency Agreement) will also be 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**"), each class of Notes will be redeemed at their Principal Amount Outstanding together with accrued but unpaid interest (including deferred amounts) on the relevant Final Maturity Date (as set out above).

***Scheduled and other Mandatory Redemption***

Unless previously redeemed in full and cancelled, the Notes will be 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 will in some circumstances be permitted, and in others be required, to prepay or repay advances made under the Issuer/ Borrower Facility Agreement (as described in more detail in sections entitled "*Description of the Borrower Transaction Documents - Issuer/Borrower Facility Agreement - Prepayment of Initial Term Advances*", "*Prepayment of Additional Term Advances*", "*Covenants regarding Disposals of Mortgaged Properties and Related Matters*" and "*Acceleration, Cancellation and Enforcement of the Term Advances*" below).

In such circumstances, prior to enforcement of the security for the Notes having occurred, the Issuer shall be required, on giving not less than 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 Initial Term Advances (and therefore also the corresponding classes of Notes) may be prepaid, and the circumstances in which Initial Term Advances corresponding to more junior ranking classes of Notes may be prepaid prior to Initial 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 Initial 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 (including deferred amounts) 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 or the Class B 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) on 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 B 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 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 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 Borrower Transaction Documents - Issuer/Borrower Facility Agreement - Purchase of Notes*” below).

***Governing Law***

The Notes will be governed by English law.

## KEY PARTIES TO THE TRANSACTION

### *Issuer*

W&DB Issuer PLC (the “**Issuer**”) is a public company with limited liability incorporated under the laws of England and Wales with company number 05135049 and whose registered office is at c/o SPV Management Limited, Tower 42 (Level 11), International Financial Centre, 25 Old Broad Street, London EC2N 1HQ. 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 will comprise, *inter alia*, issuing the Notes and on-lending the proceeds to the Initial Borrower pursuant to the Issuer/Borrower Facility Agreement.

### *Issuer Parent:*

W&DB Issuer Parent Limited (the “**Issuer Parent**”) is a private company with limited liability incorporated under the laws of England and Wales with company number 05405439 and whose registered office is at c/o SPV Management Limited, Tower 42 (Level 11), International Financial Centre, 25 Old Broad Street, London EC2N 1HQ. The Issuer Parent is a bankruptcy remote special purpose vehicle with no employees or premises and limited permitted activities. Its principal activity will be to beneficially hold the entire issued share capital of the Issuer. The shares of the Issuer Parent will be held by SPV Management Limited on trust for charitable purposes.

### *Borrowers;*

W&DB Pubs Limited (the “**Initial Borrower**”) is a private limited company incorporated under the laws of England and Wales with company number 05453367 and whose registered office is P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY.

The entire issued share capital of the Initial Borrower will be held by the Securitisation Group Parent. English company law combined with the holding structure of the Initial Borrower, covenants made by the Initial Borrower in the Transaction Documents and the role of the Borrower Security Trustee are together intended to prevent any abuse of control of the Initial Borrower.

The Issuer/Borrower Facility Agreement will include 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.

As at the Closing Date, the Initial Borrower will be the beneficial owner(s) of the portfolio of Mortgaged Properties and other assets, undertakings and rights relating thereto (the “**Securitisation Estate**”)

***Securitisation Group Parent:***

W&DB Pubs Parent Limited (the “**Securitisation Group Parent**”) is a private limited company incorporated under the laws of England and Wales with company number 05453370 and whose registered office is at P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY. The entire issued share capital of the Securitisation Group Parent will be held by W&DB.

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.

The Securitisation Group Parent together with the Initial Borrower and any Additional Borrowers are referred to as the “**Obligors**” and together with the Borrowers and their direct and indirect subsidiaries are referred to as the “**Securitisation Group**”.

***W&DB:***

The Wolverhampton & Dudley Breweries, PLC (“**W&DB**”) is the parent company of the Securitisation Group Parent. Further details in relation to W&DB are set out in the section entitled “*Summary Details of Key Member Companies of the W&DB Group -Companies outside the Securitisation Group*” below. W&DB together with each of its direct and indirect subsidiaries (including the Initial Borrower) are referred to in this document

as the “**W&DB Group**”.

On the Closing Date, W&DB will, pursuant to a security deed entered into between, *inter alios*, W&DB, the Initial Borrower and the W&DB Security Trustee (the “**W&DB Security Deed**”) grant to the W&DB 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 W&DB pursuant to the W&DB 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).

W&DB 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.

W&DB, Marston, Thompson & Evershed Limited (“**MTE**”) and Mansfield Brewery Trading Limited (“**MBTL**”) will also on or about the Closing Date grant or procure 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. In addition, W&DB will grant or procure the grant to the Initial Borrower of a call option (the “**IP Option**”) in respect of all of W&DB’s, MTEs and MBTL’s right, title and interests in and to intellectual property rights used exclusively in the business of the Securitisation Estate as at the date of the exercise of the IP Option. The Initial Borrower will be 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 W&DB, MTE and MBTL). See the section entitled “*Description of the Borrower Transaction Documents –Services Agreements - IP Licences and Related Agreements*” below.

**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**”), will be appointed as trustee for the holders from time to time of the Notes pursuant to a trust deed (the “**Note Trust Deed**”) between the Issuer and the Note Trustee constituting the Notes to be dated on the Closing Date.

***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**”), will be appointed to hold (and upon the occurrence of a Note Event of Default will be entitled to enforce) the security granted by the Issuer on trust for all the Issuer Secured Creditors pursuant to the Issuer Deed of Charge.

***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**”) will hold (and upon the occurrence of a Loan Event of Default will be entitled to enforce) the security granted by the Obligor under the Borrower Security Documents on trust for all the Borrower Secured Creditors, including the Issuer, pursuant to a deed of charge (the “**Borrower Deed of Charge**”) between the Obligor, the Borrower Security Trustee and the Borrower Secured Creditors to be dated on or about the Closing Date.

***W&DB 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 “**W&DB Security Trustee**”) will hold (and, if, *inter alia*, W&DB is in breach of its secured obligations under the Tax Deed of Covenant, will be entitled to enforce) the security granted by W&DB under the W&DB Security Deed on trust for, *inter alios*, the Issuer and the Obligor.

***Principal Paying Agent and Agent Bank:***

HSBC Bank plc acting through its office at 8 Canada Square, London E14 5HQ will be 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 (the “**Agency Agreement**”) made between the Issuer, the Paying Agents, the Agent Bank, the Note Trustee and the Issuer Security Trustee to be dated on or about the Closing Date.

***Liquidity Facility Provider:***

The Royal Bank of Scotland plc, acting through its office at 280 Bishopsgate, London EC2M 4RB (in such capacity, the “**Liquidity Facility Provider**”) will provide a liquidity facility (the “**Liquidity Facility**”) to the Issuer pursuant to a liquidity facility agreement (the “**Liquidity Facility Agreement**”)

between, *inter alios*, the Issuer, the Liquidity Facility Provider and the Issuer Security Trustee to be dated on or about the Closing Date. 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 “F-1” 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 document, the Minimum Short-Term Ratings.

**Corporate Services Provider:** SPV Management Limited, acting through its office at Tower 42 (Level 11), International Financial Centre, 25 Old Broad Street, London EC2N 1HQ (in such capacity, the “**Corporate Services Provider**”) will provide corporate administration services to the Issuer pursuant to a corporate services agreement (the “**Corporate Services Agreement**”) between, *inter alios*, the Issuer, the Corporate Services Provider and the Issuer Security Trustee to be dated on or about the Closing Date. The principal outside activities of the Corporate Services Provider are the provision of corporate, secretarial and administrative services.

**Swap Counterparty:** HSBC Bank plc, acting through its office at 8 Canada Square, London E14 5HQ (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 or about the Closing Date the Issuer will enter into a series of interest rate swap transactions pursuant to an agreement (the “**Interest Rate Swap Agreement**” which expression shall, where the context so admits, include 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 A2 Notes, Further Class A3 Notes, Further Class B 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 and, on and following the Class A2 Step-Up Date, the Class A2 Notes and, on and following the Class A3 Step-Up Date, the Class A3 Notes and, on and following the Class B Step-Up Date, the Class B Notes (or any Further Class A1 Notes, Further Class A2 Notes, Further Class A3 Notes, Further Class B Notes or New Notes (as applicable)).

The Issuer will be required to ensure that any swap agreement

entered into in connection with the Notes is entered into with any entity having the Minimum Short-Term Ratings and ratings assigned to its unsecured, unsubordinated and unguaranteed long-term debt obligations of at least “A” by Fitch and at least “A” by S&P (the “**Minimum Long-Term Ratings**”). HSBC Bank plc has, on the date of this document, the Minimum Short-Term Ratings and the Minimum Long-Term Ratings.

***Account Bank:***

Barclays Bank PLC, acting through its office at 15 Colmore Row, Birmingham B3 2WN (the “Account Bank”) will be appointed as Account Bank to the Obligors and the Issuer and will maintain certain bank accounts on behalf of the Obligors and the Issuer pursuant to an account bank and cash management agreement (the “**Account Bank and Cash Management Agreement**”) between the Obligors, the Issuer, the Cash Manager, the Account Bank, Trading, 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. Barclays Bank PLC has, on the date of this document, the Minimum Short-Term Ratings.

***Cash Manager:***

Wolverhampton & Dudley Breweries (Trading) Limited (“**Trading**”) will be appointed as cash manager to the Obligors and the Issuer (in such capacity the “**Cash Manager**”) and will provide 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 Trading are set out in the section entitled “*Summary Details of Key Members of the W&DB Group - Companies outside the Securitisation Group*”.

***Supply and Management Services:***

Trading will procure 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**”) to be entered into on or about the Closing Date between the Initial Borrower, Trading and the Borrower Security Trustee. See the section entitled “*Description of the Borrower Transaction Documents - Services Agreements - Intra Group Supply Agreement*” below. Trading will also provide the Initial Borrower with, or will 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**”) to be entered into on or about the Closing Date

between the Initial Borrower, Trading 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 and 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 document and reach their own views as to the merits of the transactions described in this document prior to making any investment decision.*

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

*Notes obligations of Issuer only*

The 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 document. 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 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 monies 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 (i) (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 be initially £86 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 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 B Notes will be limited to £17 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 will hold the benefit of the security interests created under and pursuant to the Issuer Deed of Charge on trust for the Noteholders, such security interests will also be 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 Issuer Transaction Documents - Issuer Deed of Charge*” below.

### *Hedging Risks*

All payments to be made by the Issuer under the Interest Rate Swap Agreement, other than Swap Subordinated Amounts, will 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 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.

Interest rate hedges (“**Existing Hedges**”) have been entered into by certain members of the W&DB Group to hedge interest rate exposures with respect to its indebtedness. On or around the Closing Date, all or part of the Existing Hedges will be terminated and/or novated and new hedging arrangements will be entered into by the Issuer (pursuant to the Interest Rate Swap Agreement). At the same time that the Issuer enters into the Interest Rate Swap Agreement, the

Issuer will enter into a back-to-back hedging arrangement with the Initial Borrower pursuant to an agreement (the “**Issuer/ Borrower Swap Agreement**”) to hedge the Initial Borrower’s exposure to fluctuations in interest rates during the life of the transaction. On the Closing Date, the mark-to-market value of the transactions entered into by the Issuer under the Interest Rate Swap Agreement will be approximately £8.5 million in favour of the Swap Counterparty. The Issuer will receive an initial payment of this amount for entering into the transactions, which will be recorded as a liability on its balance sheet at an amount equal to the proceeds received. This amount will be credited to the profit and loss account of the Issuer over the life of the Interest Rate Swap Agreement. The Issuer will be required to make a corresponding payment to the Initial Borrower (which will also be required to pay a higher than current market rate) under the Issuer/Borrower Swap Agreement. The Issuer will initially record this payment to the Initial Borrower as an asset on its balance sheet and this will be amortised to the profit and loss account of the Issuer over the period of the Issuer/Borrower Swap Agreement. Amounts payable to the Swap Counterparty under the Interest Rate Swap Agreement rank (except in certain limited circumstances) senior to amounts payable to 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 document.

*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 in the same group of companies as, or affiliated to, W&DB (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 will provide that the Borrower Security Trustee will be 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 will include 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 will require 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 will, following the lapse of any applicable grace period, in itself constitute a 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 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*

W&DB, 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 W&DB 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 W&DB Group is subject.

Further, as the shares of W&DB are listed on the London Stock Exchange, W&DB 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 document,

## **Management Services Agreement**

### *Reliance on Trading*

All W&DB Group employees, both those required to staff the pubs directly managed and operated by the W&DB Group (the “**Managed Pubs**”) and those involved in the management and administration of the W&DB Group, will on the Closing Date be employed by Trading. The Initial Borrower does not have any staff and is therefore reliant on Trading to provide such services under the terms of the Management Services Agreement. Under the terms of the Management Services Agreement, Trading will undertake 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 will provide for Trading’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.

The Initial Borrower is, however, entitled to request that Trading provides it with additional services that are reasonably necessary for the operation of the Securitisation Estate. In addition, Trading 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.

### *Appointment of Administrator to Trading*

The Management Services Agreement will contain 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 Trading 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 do not work in pubs (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 Trading 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*

Trading 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 Trading 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 Trading (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 W&DB Group and/or may fail to address issues that arise out of changes in the nature of the W&DB Group and/or the industry and/or the environment in which it operates. In such circumstances, the W&DB 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 Securitised Estate), which modification or unwinding will be subject to the consent of the Borrower Security Trustee.

### *Sale of business*

The Management Services Agreement will also contain 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 outside of individual pubs (for example, business development managers) 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.

### *Trading's right to outsource*

Trading will be 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 Trading 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 Borrower and Trading 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, Trading 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 (written consent from the Borrower Security Trustee is not required where a member of the Trading group is appointed). 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*

Trading and the Initial Borrower are currently both within the W&DB 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 Trading ceases to be a member of the W&DB 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 Trading 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 Trading outside of the Securitisation Group*

Trading 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 Trading’s ability to perform its obligations under the Intra Group Supply Agreement.

#### *Termination*

Third party supply agreements between Trading 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.

#### *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 Trading occurs, or Trading identifies that the payments to third parties (together with its own costs) exceed or will exceed the amounts payable to Trading 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 Trading and third party suppliers impose minimum stock and/or minimum purchase commitments on the W&DB Group. In addition, Trading will be 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 Trading will be required to negotiate in good faith and to act fairly as between the Securitisation Group and any non-securitised business. To the extent that such minimum stock and/or purchase commitments are not met additional costs and penalties may be levied on Trading a proportion of which will be passed on to the Securitisation Group. Any minimum stock and/or purchase obligations will be allocated between the Securitisation Group and the non-securitised business having regard to their respective historic consumption of the relevant goods and Trading will be able 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 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) the Class B 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 any Term Advance relating to New Notes which ranks senior to such Term B Advance. For further details, see the sections entitled “*Description of the Borrower Transaction Documents - Issuer/Borrower Facility Agreement - Pre-payment of Initial Term Advances - Application of Pre-payment Funds as a Result of Voluntary Pre-payment*”, “*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 an existing 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 an existing 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 Notes - issue of New Notes*” below.

### *Conflicts of Interest*

The Issuer Deed of Charge will contain 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.

### *Appointment of an administrative receiver and indemnity of the Borrower Security Trustee*

The Borrower Deed of Charge will provide that the Borrower Security Trustee shall enforce the security in respect of any Obligor, by appointing an administrative receiver, if it has actual notice of either (i) an application for the appointment of an administrator; or (ii) the giving of a notice of intention to appoint an administrator, in respect of such Obligor. In addition, the Borrower Security Trustee will (subject to the matters described in "*Description of the Borrower*

*Transaction Documents - Indemnity of the Borrower Security Trustee*” below), following the delivery of a Loan Enforcement Notice, 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.

The Borrower Security Trustee will not be obliged to appoint an administrative receiver unless it is indemnified and/or secured to its satisfaction. However, the Borrower Security Trustee will agree under the Borrower Deed of Charge that it is 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 will covenant in the Borrower Deed of Charge that, if 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.

### **Other considerations relating to the 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 A Notes, or Class B Notes but which will rank either (a) after the Class A Notes, but in priority to, *pari passu* with or after 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 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 Closing Date, the Notes will have the ratings set out in the table under the section entitled “*Summary of the Terms and Conditions of the 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 B 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 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 Closing Date. A confirmation of ratings represents only a restatement of the opinions given at the 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.

### *Marketability*

Applications have been made for the Notes to be admitted to listing on the Official List of the UK Listing Authority (in its capacity as competent authority for the purposes of Part VI of the FSMA) and to trading on the Stock Exchange. However, the 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 Notes should be aware that they may have to hold the Notes until their maturity. In addition, the market value of

the Notes may fluctuate with changes in prevailing rates of interest. Consequently, any sale of Notes by Noteholders in any secondary market that may develop may be at a discount to the original purchase price of such Notes.

### *Market Disruption*

Each of the Class A1 Rate of Interest and, from the Class A2 Step-Up Date, the Class A2 Rate of Interest and, from the Class A3 Step-Up Date, the Class A3 Rate of Interest and, from the Class B Step-Up Date, the Class B Rate of Interest will be the aggregate of a specified margin and the rate for three month sterling deposits in the London inter-bank market determined in accordance with Condition 6 (*Interest*) (for the purposes of this paragraph, the “underlying rate”). Condition 6 (*Interest*) contains provisions for the calculation of the underlying rate based on rates given by various market information sources, and Condition 6(d) (*Interest - Rates of Interest on the Notes*) and Condition 21 (*European Economic and Monetary Union*) contain 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 (*European Economic and Monetary Union*)),

### **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 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); or
- (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); or
- (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) implementation of the Disability Discrimination Act 1995, which may require changes to certain of the Mortgaged Properties.

### *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.

### *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.

### *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 the 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 companies.

### *Change in Gambling Laws*

Changes to the gaming legislation are under consideration by the Government, including the operation of amusement machines with prizes (or fruit machines) (“AWPs”) in pubs. The main area of the current legislation that would change is that play by under 18 year olds would be illegal except on low stake prize machines (although the Securitisation Group already complies with a voluntary code to this effect) and the control of machine numbers would pass from licensing magistrates to local authorities. The other areas of change relate to categories of machines permitted in casinos, licensed betting offices, bingo halls, amusement arcades, family entertainment centres and motorway service stations which may increase the competitive threat to the Securitisation Group in respect of gaming.

Under the proposed legislation, it is intended that existing licensed premises will be allowed to retain their current number of AWPs. New licensed premises are likely to be entitled to two AWPs (currently pubs do not have an automatic right to any AWPs) with discretion for local authorities to increase such entitlement, based on national guidance that is currently being considered by the Government in consultation with the pub industry. In addition, following lobbying by the pub and gambling industries and irrespective of any new overarching gambling legislation, it is likely that reviews aimed at increasing the maximum levels of stakes, prizes and methods of payment will continue.

The new legislation may increase the appeal (through payment deregulation and the number of machines on licensed premises) of gambling in pubs, including those in the Securitisation Estate. However, the levels of income from AWPs within the Securitisation Estate may be negatively affected if local authorities do not permit pubs to have more than two AWPs or do not grant grandfather rights in respect of existing machine.

### *Potential Changes to Drink Driving Laws*

As car drivers and passengers account for 40 per cent. 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*

On 16 November, 2004, the UK Government published its White Paper on Public Health (the “**White Paper**”) which sets out the Department of Health’s proposals in relation to smoking in public places, including pubs, in England and Wales. It is proposed that restrictions on smoking are to be phased in over a period of four years including an outright ban on smoking in restaurants and pubs serving food (other than snacks such as crisps).

Pubs and bars not serving food will not be subject to the outright ban and pub owners will be able to choose whether to permit smoking on their premises.

There is currently a Public Places Charter (the “**Charter**”) on smoking in public places, such as restaurants and pubs, which has been agreed between the Department of Health and leading hospitality industry groups. This Charter, though not law, is supported by the Government which asked the licensed leisure industry to ensure that 50 per cent. of licensed premises were compliant with it by December 2002, and that 35 per cent. of those have either “no smoking” areas or adequate mechanical ventilation.

### *W&DB Group policy on smoking*

The W&DB Group are preparing for the impact of the Charter which, at this moment, is expected to come into effect in 2008.

Pathfinder Pubs, the managed house division of W&DB, has already invested significantly in outside trading areas mainly on patios and in gardens and expects to extend this investment programme over the next two years to the remainder of their pubs (which equates to approximately 80 per cent.) which have outside trading areas. Pathfinder Pubs are opening more smoke-free pubs, and are currently introducing a policy that will see smoking at the bar prohibited in all of their managed pubs by the end of 2005. In addition, Pathfinder Pubs intend to reduce the amount of floor space available for smoking to less than 20 per cent. by the end of 2008.

The Union Pub Company, the trading division that runs the tenanted and leased estate of W&DB, are encouraging their tenants and lessees to adopt similar changes so that across their pub estates they are prepared for the challenges and opportunities presented by the Charter.

The current restrictions, introduced pursuant to the Charter, together with the proposals set out in the White Paper may have the effect of discouraging smokers from using pubs. This may adversely affect the results of the W&DB Group. In England and Wales, the effects of the proposed ban may be mitigated by the interim period of four years prior to introduction. The W&DB Group will be able to use this time to properly assess and prepare for the impact the ban may have on its business.

Overall, it is expected that the adverse effects of the proposed smoking bans will be limited. Experience in other cities where smoking bans have been introduced suggests that volumes of turnover will recover to pre-ban levels relatively quickly and food oriented pubs, in particular, may benefit from the smoking ban.

### *The Borrower is reliant on the reputation of W&DB Group's brands*

Failure to protect the W&DB 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 W&DB 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. 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. It is estimated that only 20 per cent. of pubs in the Pathfinder estate may potentially be affected by the Directive.

### *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 Trading 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.

Trading will, on or before the Closing Date, have 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 Trading 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 rent 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 W&DB 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.

Although sellers in such transactions have provided or will be asked to provide certain warranties to the W&DB Group in connection therewith, such warranties are or will be limited in terms of the amount claimable and the period in which claims can be made (and in many cases such periods may have expired). The Securitisation Group may, therefore, suffer loss in respect of which no remedy may be available (whether against the relevant seller or any other person).

#### *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 further see the investment consideration "*Considerations relating to the Mortgaged Properties - Environmental Considerations*" and the section entitled "*Description of the Business - Environmental*" 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*

The property market may develop so that rents may increase such that they affect the economic viability of one or more of the tenanted pubs. Equally, 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 2 July, 2005 contained in the Valuation Report and assuming that there has been no change to such valuation as at the Closing Date, the ratio (expressed as a percentage) of the Principal Amount Outstanding of the Notes to be issued on the Closing Date to the open market value of the Securitisation Estate is approximately 68.8 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 W&DB Group operates three defined benefit pension schemes (each a “Pension Scheme”):

- The Wolverhampton & Dudley Breweries, PLC Pension and Life Assurance Scheme (the “**W&DB Scheme**”);
- The Burtonwood Brewery PLC Retirement Benefits and Life Assurance Scheme (the “**Burtonwood Scheme**”); and
- The Jennings Brothers plc (1974) Retirement Benefit Scheme (the “**Jennings Scheme**”).

These are all closed to new entrants.

W&DB and Trading participate in the W&DB Scheme, Burtonwood Group Limited (previously Burtonwood PLC) and Burtonwood Inns Limited participate in the Burtonwood Scheme and Jennings Brothers plc participates in the Jennings Scheme. No other companies within the W&DB Group, and no companies within the Securitisation Group, participate in the Pension Schemes.

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

The primary liability for funding the Pension Schemes rests with the participating employer companies. By virtue of the Pensions Act 2004, there will be risks for the whole of the W&DB Group 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 Burtonwood Scheme have power to determine the employer contributions to that scheme (although the basis for calculation of those contributions must be agreed with the employer). The trustees do therefore have a certain degree of control over the contributions payable by the employer and could potentially demand increased payments in respect of that scheme.

- (b) In relation to all three Pension Schemes, the Pensions Act 2004 will introduce a new statutory funding regime, applicable after September 2005, which is expected to result in more onerous funding requirements for employers. It will also, in the case of the W&DB Scheme (where the funding rate is currently set jointly by the trustees and employer) 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 employers.
- (c) The trustees of the Burtonwood Scheme have the power to wind up the scheme if the principal employer goes into liquidation, terminates its liability to contribute or fails to pay to the trustees any sum due or fails to perform any of its obligations under the scheme. The trustees of the W&DB Scheme have power to wind up the scheme if the principal employer stops contributing. The trustees of the Jennings Scheme have the power to wind up the scheme if the principal employer enters liquidation, receivership or administrative receivership or terminates its liability to contribute. Additionally, the Pensions Regulator has an overriding power to order pension schemes to wind up if it considers this to be in the interests of the members of the scheme. As a result of recent changes in legislation, winding up the schemes would result in a statutory obligation on the various participating employers to fund the schemes by reference to a “buy-out basis”. Approximate actuarial calculations carried out by the W&DB Group’s actuary identify that if the schemes were to wind up as at the date of the most recent actuarial review undertaken being 31 March, 2005 aggregate contributions on this basis would have been required of around £214 million (although this figure should be taken only as a guide as no quotations have been obtained from insurance companies). Additionally, regulations provide that a similar statutory debt would be triggered if the participating employers went into liquidation.
- (d) The Pensions Act 2004 gives new powers to the Pensions Regulator to require funding or funding guarantees (in the form of a contribution notice or financial support direction) for defined benefit pension schemes in various circumstances from a person who is “associated” or “connected” with a participating employer. If the Borrower Security Trustee were to enforce its security over the shares of the Initial Borrower so that it were entitled to exercise, or control the exercise of, one third or more of the voting power at any general meeting of the Initial Borrower, the Borrower Security Trustee would come within the definition of connected/associated person. This would mean that the Pensions Regulator could seek to issue a contribution notice or financial support direction on them at that time, provided the other requirements were met, including that it considered it was reasonable to do so. In deciding whether to issue a contribution notice or financial support direction, the Pensions Regulator must also take into account a number of other factors including the actual connection that the person has with the pension scheme and the employer and the financial circumstances of the person.
- (e) The Pensions Act 2004 gives new powers to the Pensions Regulator to require funding or funding guarantees for defined benefit pension schemes from any company in the same group as the participating employers (which may include the Initial Borrower). This applies regardless of whether the companies sought to be made liable have any employees in the pension schemes concerned.

- (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 the 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); and
- (iii) investment returns below expectation.

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 will require 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 W&DB 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.

As mentioned above, as at the Closing Date, the insurances of which the Securitisation Group will have the benefit arise under the W&DB Group policies and cover the assets and businesses owned/ operated by the W&DB Group outside the Securitisation Group. The procurement of insurance cover for the Securitisation Group will form part of the services to be provided by Trading under the Management Services Agreement. The Management Services Agreement will require Trading to allocate the appropriate level of premium payable by the Securitisation Group (on a fair and reasonable basis) and will also require Trading to allocate appropriate sub-limits within the context of the W&DB 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). However, it may be the case that, owing to the number and/or size of claims that arise in relation to the businesses of the W&DB Group outside the Securitisation Group a particular sub-limit is reached in relation to a particular insurance. In these circumstances, if Trading does not arrange additional insurance cover, the Borrower would not be able to make a claim in respect of that particular insurance. In addition, it should be noted that in relation to certain of the insurances, the Borrower will be required to bear a certain amount of each loss itself before being able to make a claim under the relevant policy.

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

EBITDA from the pubs within the Securitisation Estate (excluding overheads) accounted for approximately 73 per cent. of the EBITDA from the total pubs operated by the W&DB Group for the adjusted 52 week period ended 2 April, 2005 as enlarged by the EBITDA of the 523 pubs which were acquired with effect from 14 June, 2004 and 6 January, 2005. In addition and as described in the section entitled “*Description of the Business - Business - Brewing Company*” below, the W&DB Group operates a brewing, distribution and wholesaling business which is excluded from the Securitisation Estate and which accounted for approximately 16 per cent. of the EBITDA of the entire W&DB Group for the 26 week period ended 2 April, 2005. The W&DB 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**

There are 1,592 Mortgaged Properties in the Securitisation Estate. The interest held by the Initial Borrower in 1,502 of the Mortgaged Properties in the Securitisation Estate is freehold and the interest held by the Initial Borrower in 90 of the Mortgaged Properties in the Securitisation Estate is comprised either wholly or partly under a leasehold title (the “**Leasehold Mortgaged Properties**”). 1,204 of the Mortgaged Properties are registered, 357 are unregistered and 31 are

part registered and part unregistered and 1,238 are tenanted pubs and 354 are managed pubs. All of the Mortgaged Properties are located in England and Wales.

### *Investigations and Certificates of Title*

In respect of the Securitisation Estate (as at the Closing Date), Wragge & Co LLP (“**Wragges**”) have produced a spreadsheet (the “**Spreadsheet**”) summarising the relevant information required for each Mortgaged Property for the purposes of creating legal security over the Mortgaged Properties in the Securitisation Estate, together with certificates of title for a sample comprising 283 freehold Mortgaged Properties, 68 long leasehold, 22 mixed long leasehold and freehold Mortgaged Properties (the “**Certificates of Title**”). The sample (the “**Sample**”) was selected by dividing the Mortgaged Properties into four estates (Managed Burtonwood, Tenanted Burtonwood, Pathfinder and UPC). All leasehold Mortgaged Properties in the four estates were then included in the Sample. The remaining freehold Mortgaged Properties in each estate were then ranked according to EBITDA and the top third of freehold Mortgaged Properties from each estate on the basis of EBITDA selected for the Sample. Separate divisions were taken to ensure that a cross section was taken. The Sample comprises 287 registered properties, 71 unregistered properties and 15 part registered and part unregistered properties and 75 managed pubs and 298 tenanted pubs. The Sample represents approximately 23 per cent. by number of the Mortgaged Properties comprised in the Securitisation Estate (as at the Closing Date) and approximately 34 per cent. by reference to EBITDA (for the adjusted 52 week period that ended on 2 April, 2005).

Wragges have not reported in the Certificates of Title on the terms of the tenancy agreements (the “**Tenancy Agreements**”) relating to those properties in the Securitisation Estate which are subject to pub tenancies (the “**Tenanted Properties**”). Instead Wragges have prepared a report on the relevant standard forms of the respective Tenancy Agreements used in respect of the Tenanted Properties (the “**Tenancy Summary**”) and there will be a warranty in the Issuer/Borrower Facility Agreement that not less than 90 per cent. of the leases of the Tenanted Properties are substantially in the form of the current standard forms of the Tenancy Agreements reported on by Wragges.

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 Wragges 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 in respect of the registered titles and index map searches, Land Charges Act searches and Companies Registry Searches in the case of the unregistered titles.

Except as mentioned above, none of the usual conveyancing searches and enquiries in relation to the purchase of a property were made by Wragges, 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,

Wragges did not check as to the existence or validity of any liquor licences, justices licences and 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 Wragges 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.

Wragges have, in addition, prepared a due diligence overview report (the “**Overview Report**”) in respect of their review of the Certificates of Title and the Tenancy Summary in order to highlight any material items. The Certificates of Title, the Overview Report and the Spreadsheet 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 W&DB 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 Report*

The table below summarises the issues identified as material in the Overview Report, broken down by number of properties affected by each issue. Since more than one issue may affect a single property, there are more disclosures enumerated in the table below than the 140 properties actually affected.

Quality of title:	
• possessory	3
• good leasehold	42
• unregistered pubs where Company is only likely to obtain possessory or good leasehold title	26
Missing Deeds (not listed as unknown covenants below)	
• relating to registered properties	11
• relating to unregistered properties	9
Covenants which:	
• prevent the use of the licensed premises or any part as a pub and/or the sale of alcohol	12
• conflict with current use, actually or potentially	4
• are unknown	45
Breaches of obligation or disputes	7
In relation to the leasehold properties:	
• provisions providing for forfeiture or surrender on insolvency of the tenant	15
• provisions providing for forfeiture on loss of licence	7
• “keep open” covenants	14
• landlord’s consent for assignment only required	23

• landlord’s consent for assignment and charging required	4
• landlord’s title not investigated (not including leases registered or would be registered with good leasehold title)	1
• landlord’s pre-emption right (at open market value)	1
• estate rent charge - third party right to obtain freehold title	1

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### *Leasehold Interest in Mortgaged Properties*

22 Leasehold Mortgaged Properties contain forfeiture or surrender provisions pursuant to which the landlord may terminate the lease upon the insolvency of an Obligor, as tenant and/or where the Obligor, as tenant, loses its trading licence. 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.

14 of the Leasehold Mortgaged Properties 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*

12 of the Mortgaged Properties in the Sample 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. 45 more are subject to unknown covenants and a further 20 have missing deeds not listed as unknown covenants (of which 12 relate to registered properties and 9 relate to unregistered properties). W&DB has confirmed that it has not received notice of any claims having been made in relation to the breach of any such covenants.

26 unregistered Mortgaged Properties in the Sample have been identified as properties where the Initial Borrower is only likely to get possessory or good leasehold title on first registration due to title issues, for example, missing title deeds or inability to deduce superior title.

### *Tenancy Summary*

Wragges have confirmed in the Overview Report that, based on their review of the Tenancy Summary, 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 that certain of the agreements provide for annual upwards only rent review by reference to the retail price index and five yearly open market rent review. It should be noted that it is currently The Union Pub Company's policy to review rents upwards or downwards as individual circumstances dictate. The open market rent reviews could potentially provide for a lower rent than the outcome of the review by reference to the retail price index in the immediately preceding year, however the new rent cannot drop below the level of the previous open market rent review. In some historical agreements the tenant is not tied for wines, spirits and minerals to The Union Pub Company, however in the current agreements being granted by The Union Pub Company the tenants are fully tied for wines, spirits and minerals. Further, in some historical agreements neither the tenant nor the landlord is under an obligation to repair the structure of the pub or to renew the landlord's fixtures and fittings.

### *Registration of Mortgages*

There is no current intention, on or prior to the 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.

### *Landlords' Consents*

In respect of 27 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 Report confirms in relation to all the Consent Leasehold Mortgaged Properties except 2 the landlord may not be unreasonable in considering whether to provide its consent.

Pursuant to the terms of the Borrower Security Documents, the Initial Borrower will grant a charge over their beneficial and/or legal interest in each of the Mortgaged Properties in the Securitisation Estate. Further, the Initial Borrower will covenant 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 18 months after the Closing Date. 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 (if any) in the relevant Mortgaged Property. Where the relevant landlord either refuses consent or does not provide consent on or before the date falling 18 months after the 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 Property a suitable alternative property which will form part of the Securitisation Estate in exchange for the relevant Consent Leasehold Mortgaged Property. See the section entitled "*Substitution*" below. See also the section entitled "*Description of the Borrower Transaction Documents - Issuer/Borrower Facility Agreement - 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 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 within 18 months of the 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 EBITDA 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 or long leasehold without forfeiture on insolvency or a requirement for landlord's consent to assignment or charging.

The Substitute Property is required to be identified within 3 months of its requirement becoming apparent and the substitution is required to take place within 10 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 6 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.

### *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 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 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.

### *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 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 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 being given pursuant to the Issuer/ Borrower Facility Agreement on the 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 Closing 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 Managers, the Borrower Security Trustee and the Issuer Security Trustee have received the benefit of the valuation report from the Valuer, dated 5 August, 2005 in relation to the valuation of the Mortgaged Properties addressed to the Issuer, the Initial Borrower, the Managers, the Issuer Security Trustee and the Borrower Security Trustee (the “**Valuation Report**”). The Valuation Report is reproduced in its entirety below (see the section entitled “*Valuation Report on the Securitisation Estate*” below). In the view of the Valuer and subject to the assumptions and qualifications set out in the Valuation Report, the Mortgaged Properties in the Securitisation Estate have a value as a portfolio of £1,170,000,000 as at 2 July, 2005. An assumption has been made by the Valuer that the Obligors have good and marketable title to the Securitisation Estate. The Valuer has not reviewed the Property Due Diligence Reports in considering its valuation of the Securitisation Estate.

### *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.

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 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 will be 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 the Issuer considers that the exception will apply to the floating charges described in this document. 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 document. 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 and the Initial Borrower in the context of the transactions described in this document.

### *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 HM Revenue & Customs in respect of PAYE, debts due to HM Revenue & Customs in respect of VAT and social security contributions; and (c) the replacement of the existing administration regime in its entirety with a new, streamlined administration procedure.

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

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

#### *Recharacterisation of Fixed Security Interest*

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.

Recent case law has suggested that if a company to which a receiver is appointed was subsequently placed into liquidation which ran concurrently with the receivership, the receiver would not be obliged to pay the expenses of the liquidator (which are prescribed in the Insolvency Rules 1986) out of the floating charge realisations in priority to payments to holders of the security. It has been suggested that legislation be introduced to reverse some of the effects of that case law. It is not clear the extent of any such legislation but it may be that, in such circumstances, a receiver appointed in respect of an Obligor’s assets would be obliged to pay the expenses of a concurrent liquidator in priority to payments to the Borrower Secured Creditors or the Issuer Secured Creditors (including the Noteholders), as floating charge holder, as the case may be. 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 also 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 will receive such consideration (namely, the Initial Borrower will draw under the Issuer/Borrower Facility and the Initial Borrower will make Loans to each Obligor from the proceeds of the Issuer/Borrower Facility on or about the Closing Date and the Securitisation Group Parent will receive 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 Obligor will be valid to the extent of the fee paid to the Securitisation Group Parent and the other Obligor. 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 Obligor 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 recently introduced 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. The new regime includes provisions that would 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. HM 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.

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 Securitisation 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. W&DB, Trading, MBTL, Sherwood Forest Properties Limited (“**SFPL**”) and Burtonwood Group Limited (“**BGL**”, and together with W&DB, Trading, MBTL and SFPL, the “**Covenantors**”) and each member of the Securitisation Group will covenant in the Tax Deed of Covenant not to do anything (and to procure that nothing is done) which would result in such a secondary liability (including a liability to VAT) arising in relation to any member of the Securitisation Group or the Issuer or the Issuer Parent.

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

The Initial Borrower has acquired, or will on the Closing Date acquire, certain capital assets (each a “**relevant asset**”) from W&DB which will be a member of the same group as the Initial Borrower for capital gains and stamp duty land tax purposes at the time of the acquisition. Consequently, the Initial Borrower may have a contingent liability for UK corporation tax on chargeable gains and stamp duty land tax.

The contingent liability for UK corporation tax on chargeable gains will crystallise to the extent of assets still held by it if, broadly, the Initial Borrower ceases to be a member of the chargeable gains group of which W&DB is the “principal company” within six years of the date on which it acquired a relevant asset. Accordingly, a degrouping, 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 relevant assets 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.

Broadly, the contingent liability to stamp duty land tax will crystallise in the Initial Borrower, to the extent of assets still held by it, if it ceases to be a member of the same stamp duty land tax

group as W&DB 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.

If any such contingent tax liabilities as are mentioned above were to crystallise in the Initial Borrower, it may have a primary liability to tax, discharge of which could adversely affect the amount of its post-tax income and, potentially, affect the Initial Borrower's ability to pay amounts of principal under the Issuer/ Borrower Facility Agreement. W&DB, the other Covenantors and the members of the Securitisation Group will 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 and the Covenantors have, additionally agreed to pay to the Initial Borrower an amount equal to the amount of such liability were it to arise. In addition, the risk of degrouping as a result of W&DB disposing of the Securitisation Group Parent will be mitigated by the fact that W&DB will grant 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 to which see further the sections entitled "*Description of the Borrower Transaction Documents - Issuer/Borrower Facility Agreement*" and "*Tax Deed of Covenant*" below). The equitable share mortgage will contain a prohibition on W&DB disposing of its interest in the shares of the Securitisation Group Parent. These arrangements will be extended in relation to any such contingent tax liabilities arising on a further acquisition of relevant assets from the W&DB Group which is funded wholly or partly by an issue of Further Notes (a "**Tap Transfer**").

It is possible that further asset transfers (other than Tap Transfers) may take place within the W&DB Group in the future, including between the Initial Borrower and companies outside the Securitisation 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 could in certain circumstances (as outlined above) give rise to a primary or secondary liability to tax in the transferee or the transferor (respectively). The Tax Deed of Covenant will include provisions to ensure that the Securitisation 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, by members of the Securitisation 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 W&DB 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 W&DB Group into properties owned by members of the Securitisation 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. Broadly, where such roll-over is in respect of a gain accruing to a company which is not a member of the Securitisation Group, such roll-over will only be permitted on payment to the member of the Securitisation 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 (if any) on the total consideration (although the Borrower Security Trustee may agree a lower amount of consideration). The members of the Securitisation Group benefit from a corresponding ability to roll-over gains into assets of companies that are not members of the Securitisation Group.

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

#### *Withholding tax in respect of the Notes and the Interest Rate Swap 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 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 UK 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, 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 and, on and following the Class A2 Step-Up Date, the Initial Term A2 Advance and, on and following the Class A3 Step-Up Date, the Initial Term A3 Advance and, on and following the Class B Step-Up Date, the Initial Term B 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 Initial 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 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 Initial Term A1 Advance and, on and following the Class A2 Step-Up Date, the Initial Term A2 Advance and, on and following the Class A3 Step-Up Date, the Initial Term A3 Advance and, on and following the Class B Step-Up Date, the Initial Term B 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). It is not clear whether the tax position of special purpose companies such as the Issuer will be the same under IFRS as it would have been under UK GAAP as it applied for accounting periods ending on or prior to 31 December, 2004 (“**old UK GAAP**”). HM Revenue & Customs have indicated that, as a policy matter, they do not wish the tax neutrality of securitisation special purpose companies in general to be disrupted as a result of the transition to IFRS and that they are willing to work with the industry to identify appropriate means of preventing such disruption.

As a first step, the Finance Act 2005 contains legislation creating a special interim corporation tax regime for “securitisation companies”. The effect of this legislation is to allow securitisation companies to prepare tax computations on the basis of old UK GAAP as applicable up to 31 December, 2004 for all accounting periods beginning on or after 1 January, 2005 and ending before 1 January, 2007, notwithstanding any requirement to prepare statutory accounts under IFRS. The Finance Act also contains a power to make regulations to establish a permanent regime for securitisation special purpose vehicles.

In order for a company to qualify as a securitisation company, it is necessary for the company to satisfy a number of tests as at the closing of any relevant securitisation and the results of applying those tests therefore cannot be finally determined until the Closing Date. Provided, however, that the Notes are issued as envisaged in this Offering Circular, the Issuer will qualify as a “securitisation company” for these purposes.

Assuming that the Issuer qualifies as a securitisation company for the purposes of the interim regime, this should allow it to avoid any impact of IFRS on its tax computations for any accounting period ending before 1 January, 2007. Further, provided that HM Revenue & Customs adhere to the policy objectives that they have indicated in this area and which they have confirmed in Budget Notice REV 13, it is expected that secondary legislation will be put in place pursuant to enabling legislation in the Finance Act 2005 to ensure that the taxation treatment of companies such as the Issuer does not change as a result of the introduction of IFRS so as to give rise to any incremental unfunded tax liabilities. If, however, such expectations are not met and the tax position of the Issuer is adversely affected by the introduction of IFRS, this could ultimately cause a reduction in the payments the Noteholders receive on the Notes.

It is also considered that the Initial Borrower will qualify as a securitisation company for the purposes of the interim regime (although the secondary legislation referred to above is unlikely also to extend to the Initial Borrower). Assuming that the Initial Borrower qualifies as a securitisation company for the purposes of the temporary regime, this would allow it to avoid any impact of IFRS on its tax computations for any accounting period ending before 1 January, 2007. However, the Initial Borrower is expected in any event to avoid any impact of IFRS on its tax computations (provided it does not adopt the fair value accounting rules in the Companies Act 1985 and the W&DB Group does not adopt IFRS for its entity-level accounts) until such time as IFRS is applied generally to all UK companies (which is not expected to be before accounting periods beginning on or after 1 January, 2007). The tax treatment of the Initial Borrower is uncertain for accounting periods ending on or after 1 January, 2007 and, if adversely affected by IFRS, this could ultimately lead to reductions in the amounts available to make payments to Noteholders.

### *Corporation Tax Reform*

In December 2004, HM Revenue & Customs issued a technical note entitled “Corporation tax reform”. The document builds on a number of proposals contained in earlier consultation documents as to how the current corporation system might be reformed. It is not currently known whether or in precisely what form any changes arising from the consultation on corporation tax reform will be enacted. It is possible that, if these changes are enacted, they may affect the taxation treatment of the Issuer, and consequently could affect the ability of the Issuer to repay amounts under the Notes.

### ***Regulatory Considerations***

#### *Change of Law*

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

#### *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 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.

#### *Proposed changes to the Risk-Weighted Asset Framework*

On 26 June, 2004 the Basel Committee on Banking Supervision published the final revised framework for the reform of the 1988 Capital Accord. The framework places enhanced emphasis on market discipline. In parallel, the European Commission has published its proposals for reform of the existing EU consolidated Banking Directive and EU Capital Adequacy Directive which are based on the 1988 Capital Accord and apply to banks and investment firms in the European Union. However these proposals have not yet been adopted as a Directive and may be subject to change. If adopted in their current form, the proposals could affect risk weighting of the Notes in respect of certain investors if those investors are regulated in a manner which will be affected by such proposals. Consequently, prospective purchasers should consult their own advisers as to the consequences to and effect on them of the potential application of the proposals. The Issuer cannot predict the precise effects of potential changes which might result if the proposals were adopted in their current form. The proposals are currently scheduled to be implemented by 31 December, 2006, except as regards more advanced approaches to credit and operational risk which would be available by the end of December 2007.

#### *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 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 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 “*Summary of 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.

The European Union is in the process of introducing a new financial reporting framework for listed companies as part of a move towards a single European Capital Market. As matters currently stand, European law requires listed companies to apply IFRS in their consolidated accounts for accounting periods beginning on or after 1 January, 2005. The requirements for single company accounts including those of non-listed companies are, however, determined by United Kingdom law and these may be prepared either in accordance with IFRS or with UK GAAP. The United Kingdom Accounting Standards Board has, however, indicated that there is an intention over time to converge the principles of UK GAAP with those of IFRS. As described above, the introduction of IFRS and/or the convergence of UK GAAP with IFRS may be events that will necessitate the renegotiation of the terms of the financial covenants.

### ***Other General Considerations***

#### *Forward-looking Statements*

This document 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 W&DB 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 W&DB 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 document

*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 Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risk of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this document 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 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**

Under the terms of the Issuer/Borrower Facility Agreement, the Issuer will on the Closing Date, subject to the satisfaction of certain conditions precedent as to drawing, agree to make available to the Initial Borrower a secured loan facility in an amount equal to the gross proceeds of the Notes as described below.

### ***Use of Proceeds***

The Initial Borrower will apply the proceeds of the Initial Term Advances (described below) on the Closing Date as set out in the section entitled “Use of Proceeds” below.

### ***Term Facilities***

#### ***Initial Term Facilities***

The Issuer/Borrower Facility Agreement will provide that, subject to satisfying certain conditions precedent, the following term loan facilities (the “**Initial Term Facilities**”) will be made available by the Issuer to the Initial Borrower by way of cash advance on the Closing Date:

- (a) a secured term loan facility in a maximum aggregate principal amount of £236,000,000 (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 £214,000,000 (the “**Initial Term A2 Facility**” and the corresponding cash advance under the Initial Term A2 Facility, the “**Initial Term A2 Advance**”);
- (c) a secured term loan facility in a maximum aggregate principal amount of £200,000,000 (the “**Initial Term A3 Facility**” and the corresponding cash advance under the Initial Term A3 Facility, the “**Initial Term A3 Advance**”, and together with the Initial Term A1 Advance and the Initial Term A2 Advance, the “**Initial Term A Advances**”); and
- (d) a secured term loan facility in a maximum aggregate principal amount of £155,000,000 (the “**Initial Term B Facility**” and the corresponding cash advance under the Initial Term B Facility, the “**Initial Term B Advance**”, and together with the Initial Term A Advances, the “**Initial Term Advances**”).

### *Additional Term Facilities*

The Issuer/Borrower Facility Agreement will provide 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**”). Further Term Facilities and New Term Facilities are referred to as “**Additional Term Facilities**”. Further Term Advances and New Term Advances are referred to as “**Additional Term Advances**”.

A reference to a “**Term Facility**” in this document is, unless the context requires otherwise, to an Initial Term Facility, a Further Term Facility and/or a New Term Facility and a reference to a “**Term Advance**” in this document is, unless the context requires otherwise, to an Initial 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” or a “Term B 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 or a Term A3 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 or an Initial Term Advance shall, in this section of this document, 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 and the Term A3 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) Trading 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 will permit 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 will guarantee 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, the Initial 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 will be:

- (a) up to (but excluding) the Interest Payment Date falling in July 2012 (the “**Class A1 Step-Up Date**”) the aggregate of (i) LIBOR (as defined in the Conditions), (ii) a margin of 0.55 per cent. per annum (the “**Term A1 Margin**”) and (iii) a further margin equal to 0.01 per cent. 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 0.55 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 0.825 per cent. of the aggregate of LIBOR, the Term A1 Margin and the Term A1 Step-Up Margin.

The rate of interest in respect of the Initial Term A2 Advance will be:

- (a) up to (but excluding) the Interest Payment Date falling in July 2019 (the “**Class A2 Step-Up Date**”) 5.1576 per cent. per annum; and
- (b) from and including the Class A2 Step-Up Date, the aggregate of (i) LIBOR, (ii) a margin of 0.53 per cent. per annum (the “**Term A2 Margin**”), (iii) an additional margin of 0.79 per cent. per annum (the “**Term A2 Step-Up Margin**”, that part of any interest referable to the Term A2 Step-Up Margin and any interest accrued thereon being the “**Term A2 Step-Up Amounts**”) and (iv) a further margin equal to 0.01 per cent. of the aggregate of LIBOR, the Term A2 Margin and the Term A2 Step-Up Margin.

The rate of interest in respect of the Initial Term A3 Advance will be:

- (a) up to (but excluding) the Interest Payment Date falling in April 2027 (the “**Class A3 Step-Up Date**”) 5.1774 per cent. per annum; and
- (b) from and including the Class A3 Step-Up Date, the aggregate of (i) LIBOR, (ii) a margin of 0.58 per cent. per annum (the “**Term A3 Margin**”), (iii) an additional margin of 0.87 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. of the aggregate of LIBOR, the Term A3 Margin and the Term A3 Step-Up Margin.

The rate of interest in respect of the Initial Term B Advance will be:

- (a) up to (but excluding) the Interest Payment Date falling in July 2019 (the “**Class B Step-Up Date**”) 5.6410 per cent. per annum; and
- (b) from and including the Class B Step-Up Date, the aggregate of (i) LIBOR, (ii) a margin of 1.02 per cent. per annum (the “**Term B Margin**”), (iii) an additional margin of 1.53 per cent. per annum (the “**Term B Step-Up Margin**”, that part of any interest referable to the Term B Step-Up Margin and any interest accrued thereon being the “**Term B Step-Up Amounts**” and together with the Term A1 Step-Up Amounts the Term A2 Step-Up Amounts and the Term A3 Step-Up Amounts, the “**Term Step-Up Amounts**”) and (iv) a further margin equal to 0.01 per cent. of the aggregate of LIBOR, the Term B Margin and the Term B Step-Up Margin.

The Initial Borrower will be 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 and, on and following the Class A2 Step-Up Date, the Initial Term A2 Advance and, on and following the Class A3 Step-Up Date, the Initial Term A3 Advance and, on and following the Class B Step-Up Date, the Initial Term B Advance on the corresponding Loan Payment Date. See further the section entitled “*Issuer/Borrower Swap Agreement*” below.

The interest rate payable 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. of the applicable rate of interest (including any margin).

Interest on the Initial 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 Initial Term Advances will be payable in arrear in pounds sterling in respect of the aggregate Principal Debt Outstanding of the Initial Term Advances on 15 October, 15 January, 15 April and 15 July 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 Notes; and
- (b) 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 available, the Initial Borrower will be required to pay to the Issuer on the 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 Closing Date in connection with the issue of the 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 addition and pursuant to the terms of the Issuer/Borrower Facility Agreement, the Initial Borrower will 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 (i) 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 (i)(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 an Interest Payment Date pursuant to paragraphs (a) (provided that payments to the receiver will rank *pari passu* with payments to the Issuer Security Trustee), (b) (to the extent that the Issuer Security Trustee has consented to such payments), (c), (d), (e), and (i) of the Issuer Post-Enforcement (Pre-Acceleration) Priority of Payments (but only, in relation to amounts due and payable by the Issuer pursuant to paragraphs (e) and (i)(ii) of the Issuer Post-Enforcement (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

- (iii) on any date pursuant to paragraphs (a), (b), (c), (d) and (i) of the Issuer Post-Enforcement (Post-Acceleration) Priority of Payments (but only, in relation to amounts due and payable by the Issuer pursuant to paragraphs (d) and (i)(ii) of the Issuer Post-Enforcement (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);
- (d) £8,000 per annum; and
- (e) 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 document 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.

#### ***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 Initial 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 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 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 Initial Term Advances***

### *Optional Prepayment in whole or part*

Subject to the section entitled “*Application of Prepayment Funds as a Result of Optional Prepayment*” below and provided that no such prepayment shall be permitted in respect of the Term A1 Advances prior to the Loan Payment Date falling in October 2006, 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 Initial 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 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 relevant Term A

Advances or the Term B 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 shall only be permitted to prepay an Initial 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 Initial 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 Initial 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 or the Initial Term B 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 Initial Term Advances are to be prepaid (i) solely from cash received for that purpose from an entity which is a member of the W&DB 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 or (ii) from the cash proceeds arising from an Additional Term Advance, then the Initial Borrower may make prepayments of any tranche of the Initial Term Advances in any order.

If the prepayment of any Initial 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 Initial 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 Initial Term Advances at its discretion either:
  - (i) *pro rata*, in prepayment towards satisfaction of the Initial Term A Advances and the Initial Term B Advance; or
  - (ii) in the following order:
    - (A) *first*, in or towards satisfaction of the Initial Term A Advances; and
    - (B) *second*, in or towards satisfaction of the Initial Term B Advances,

allocating any amount to be applied in prepayment of the Initial Term A Advances under paragraphs (i) or (ii) towards prepayment of the Initial Term A1 Advance, the Initial Term A2 Advance and the Initial Term A3 Advance 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 by virtue of a change in tax law,

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 and, on and following the Class A2 Step-Up Date, the outstanding Term A2 Advances and, on and following the Class A3 Step-Up Date, the outstanding Term A3 Advances and, on and following the Class B Step-Up Date, the outstanding Term B Advances in a principal amount equal to the outstanding Term A1 Advances, and, on and following the Class A2 Step-Up Date, the Term A2 Advances and, on and following the Class A3 Step-Up Date, the Term A3 Advances and on and following the Class B Step-Up Date, the Term B 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
- (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 relevant Term A Advances or the Term B 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), a Borrower 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 and, on and following the Class A2 Step-Up Date, the outstanding Term A2 Advances and, on and following the Class A3 Step-Up Date, the outstanding Term A3 Advances and, on and following the

Class B Step-Up Date, the outstanding Term B Advances in a principal amount equal to the outstanding Term A1 Advances and, on and following the Class A2 Step-Up Date, the Term A2 Advances and, on and following the Class A3 Step-Up Date, the Term A3 Advances, and on and following the Class B Step-Up Date, the Term B 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 A Advances or the Term B 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; and
- (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 B Notes so long as there are no Class A1 Notes, Class A2 Notes or Class A3 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 A Notes or the Class B 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 relevant Term A Advances or the Term B 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 Initial 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 Initial 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 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 will be made by the Borrower Secured Creditors (including the Issuer and the Borrower Security Trustee) other than certain searches on the 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 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 will be given by each Obligor on the Closing Date.

The representations and warranties given by the Obligors will be 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 will 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 Closing Date;
- (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 Report 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 Closing Date is located in England or Wales;
- (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 Closing Date;

- (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 W&DB 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 will agree to conduct its future operation and business subject to a net worth covenant and a debt service coverage ratio covenant. These covenants will 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 £90 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 1.1:1 (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 commencing with the Financial Year ending 30 September, 2006 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 will 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, operating exceptional income/charges 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 Closing Date or, in the case of a company becoming a subsidiary of such relevant entity after the 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 Trading pursuant to the Intra Group Supply Agreement and from Trading 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 Closing Date to (and Including) 31 December, 2005.

**“Financial Quarter Date”** means 31 December, 2005 and, thereafter, the date on which the quarterly accounting period of each Borrower ends, being:

- (a) for the first Financial Quarter, the period from the Closing Date to 31 December, 2005 and in each year thereafter 13 weeks from the fourth Financial Quarter Date in the immediately preceding Financial Year;
- (b) for the second Financial Quarter, the date which is 13 weeks from the previous Financial Quarter Date;
- (c) for the third Financial Quarter, the date which is 13 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 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 September, the first Financial Year ending on 30 September, 2006.

**“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 member of the Securitisation Group as being the net assets of those members (disregarding for the purposes of this paragraph any intercompany loans within the Securitisation Group); and
- (b) any Financial Indebtedness of any member of the Securitisation Group 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); and
- (c) the deferred tax liability as shown in the most recent audited balance sheets of each member of the Securitisation Group recognised on the revaluation of non-monetary assets.

“**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 Closing Date, the Portion of the Required Maintenance Amount shall be the initial Required Maintenance Amount divided by 59 and multiplied by:

- (a) 20 in respect of the Relevant Period and the Relevant Year ending on 31 December, 2005;
- (b) 33 in respect of the Relevant Period and the Relevant Year ending on 1 April, 2006;
- (c) 46 in respect of the Relevant Year ending on 1 July, 2006; and
- (d) 59 in respect of the Relevant Year ending on 30 September, 2006.

“**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 31 December, 2005, for the period from (and including) the Closing Date to (and including) 31 December, 2005; and
- (b) in respect of the Financial Quarter ending on 1 April, 2006, for the period from (and including) the Closing Date to (and including) 1 April, 2006.

“**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 31 December, 2005, for the period from (and including) the Closing Date to (and including) 31 December, 2005;
- (b) in respect of the Financial Quarter ending on 1 April, 2006, for the period from (and including) the Closing Date to (and including) 1 April, 2006;
- (c) in respect of the Financial Quarter ending on 1 July, 2006, for the period from (and including) the Closing Date to (and including) 1 July, 2006; and
- (d) in respect of the Financial Quarter ending on 30 September, 2006, for the period from (and including) the Closing Date to (and including) 30 September, 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 covenants and agrees 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;
- (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 (I) 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 (I) 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 W&DB (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 W&DB 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 Trading 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 Closing Date from the proceeds of the Initial Term Advances; and
- (f) any payments on or as soon as reasonably practicable after the Closing Date of outstanding amounts owing to an Excluded Group Entity in respect of intercompany balances accrued prior to the 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 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 will agree 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 is to be made on arms’ length terms or to the extent disposed of to a member of the W&DB Group for fair value and as at the Financial Quarter Date immediately prior to the proposed disposal:
  - (i) the ratio of Adjusted EBITDA to Expected Debt Service was at least 2.1:1 notwithstanding the proposed disposal; and
  - (ii) the ratio of Net Debt to Adjusted EBITDA would not be greater than 5.65:1 notwithstanding the proposed disposal,

provided that, if since the Closing Date, the aggregate of all disposals of portions of the Securitisation Estate made when taken together with the proposed disposal would account for more than (i) 25 per cent. by 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 or (ii) 25 per cent. by number of Mortgaged Properties then comprised in the Securitisation Estate (whichever is lower) (taking into account for the purposes of this calculation, only disposals made under this paragraph and paragraph (d) below but not taking into account any disposals in paragraph (e) below) then prior to effecting the proposed disposal the Ratings Test would be satisfied. In addition the 25 per cent. can be reset to zero from time to time if the Ratings Test is satisfied following such resetting; or

- (d) the proposed disposal (i) is to be made on arms’ length terms or to the extent disposed of to a member of the W&DB Group for fair value (ii) will not result in the aggregate of all disposals of portions of the Securitisation Estate made since the 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 Obligor (taking into account for the purposes of this calculation, only disposals made under this paragraph and paragraph (c) above but not taking into account any disposals in paragraph (e)), with such portions being disposed being reset to zero from time to time and 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

- (e) 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 Term Advances; or
- (f) 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
- (g) 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
- (h) the proposed disposal is undertaken pursuant to a substitution of a Mortgaged Property in the manner described in the section entitled "*Investment Considerations - 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 will be 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 the 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:

"**Adjusted EBITDA**" means EBITDA for the Relevant Year ending on the Financial Quarter Date immediately prior to the proposed disposal less the EBITDA in respect of such Relevant Year of the pubs to be disposed of.

“**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 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.

“**Expected Debt Service**” means scheduled Debt Service for the next 12 months following the Financial Quarter Date immediately preceding the date of the proposed disposal (for the avoidance of doubt on an accruals basis).

“**Net Debt**” means any indebtedness outstanding under the Issuer/Borrower Facility Agreement less (i) any monies standing to the credit of the Disposals Proceeds Account (ii) any such indebtedness that is to be repaid as a result of the proposed disposal.

#### *Application of Proceeds of Disposals of a Mortgaged Property*

The Obligors will covenant and agree 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**”). Any Sales Proceeds credited to the Disposal Proceeds Account in respect of a disposal of a pub which is directly managed and operated by the W&DB Group (a “**Managed 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 “**Managed Pub Proceeds Ledger**”). The proceeds of any Pre-Agreed Disposal may be used by the Initial Borrower for such purpose as it deems fit.

Each Borrower will covenant and agree 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 will covenant and agree 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 will agree 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 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 and the Ratings Test are satisfied upon such withdrawal) or that monies standing to the credit of the Disposal Proceeds Account will be applied:

- (a) in or towards making a prepayment:
  - (i) if the Restricted Payment Condition was satisfied as at the most recent Financial Quarter Date, at the discretion of the Initial Borrower either (A) *pro rata* across all the tranches of the Initial Term Advances or (B) of the tranches of the Initial Term Advances on a sequential basis in the order of priority set out in the Borrower Pre-Enforcement Priority of Payments; or
  - (ii) if the Restricted Payment Condition was not satisfied as at the most recent Financial Quarter Date, of the tranches of the Initial 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 (i) or (ii) towards the sub-tranches of such Term Advances as the Initial Borrower determines;

- (b) 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;
- (c) subject to satisfaction of the Capital Enhancement Condition, in or towards the funding or refinancing of Capital Enhancement Expenditure provided that (i) 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 and (ii) amounts credited to the Managed 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 Managed Pub;

- (d) 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 Pubs 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 or 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;
- (e) in or towards the acquisition of Eligible Investments permitted by the Borrower Transaction Documents;
- (f) 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 HM Revenue & Customs (the “**Tax Authority**”) to satisfy (i) 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 Securitisation Group on or before the Closing Date; and/or
- (g) 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 covenants and agrees 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 document 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 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.

**“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 Closing Date until the end of the Financial Year ending on 30 September, 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.

“**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 will be 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 60 Tenanted Conversions having been made since the 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 60 Tenanted Conversions have been made since the Closing Date are that either:

- (a) the proposed Tenanted Conversion will not result in more than 2 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 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 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 will be permitted if the Ratings Test is satisfied.

*Conversion of Tenanted Pubs to Managed Pubs*

The Borrowers will be 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 10 Managed Conversions having been made since the 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 10 Managed Conversions have been made since the Closing Date are that either:

- (a) the proposed Managed Conversion will not result in more than 1 Managed Conversion 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 Closing Date, during the 12 months) immediately preceding the date of commencement of their respective conversions multiplied by 1.1; 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 Quarter (or in respect of a proposed conversion commenced during the first four consecutive Financial Quarters immediately following the Closing Date, during the 12 months) immediately preceding the date of commencement of the proposed Managed Conversion multiplied by 1.1; 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 will be 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) will only be 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) 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 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 £10 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 W&DB 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 “*Investment Considerations - 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 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 at the time of such Permitted Acquisition.

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 and, on and following the Class A2 Step-Up Date, the Initial Term A2 Advance and, on and following the Class A3 Step-Up Date, the Initial Term A3 Advance and, on and following the Class B Step-Up Date, the Initial Term B Advance shall be deemed to be the 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 will be 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 managed pubs and (ii) £27,500 per pub (adjusted in accordance with retail price index);
- (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 retail price index); 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 retail price index),

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 Securitisation Group (as defined above)), HM Revenue & Customs in relation to whether the acquisition by a member of the

Securitisation Group of the Mortgaged Properties on or before the Closing Date qualifies for SDLT group relief, or if HM 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 Securitisation 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, W&DB and the other Covenantors 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 will also provide 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 will also undertake 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***).

Other Covenants - Cash Flow Collections

The Initial Borrower will agree to maintain certain bank accounts in accordance with the provisions of the Account Bank and Cash Management Agreement (see the section entitled “*Description of the Borrower Transaction Documents - Account Bank and Cash Management Agreement*” below).

*Collection Accounts*

Substantially all monies received by the Initial Borrower will be credited to the Collection Accounts. Unless the consent of the Borrower Security Trustee is obtained (such consent not to be unreasonably withheld or delayed if certain conditions are met), monies may not be withdrawn from a Collection Account except for the purposes of effecting a transfer, in the case of the Non-Barclays Collection Accounts, to the Barclays Collection Account and, in the case of the Barclays Collection Account, to the Borrower Transaction Account or to return amounts credited to such accounts in error.

Subject to the Transaction Documents, the Initial Borrower shall be permitted to invest in Eligible Investments using proceeds from the Collection Accounts.

*Borrower Transaction Account*

Monies standing to the credit of the Barclays Collection Account may only be transferred with the prior consent of the Borrower Security Trustee, into the Borrower Transaction Account. Operational and day-to-day payments of the Initial Borrower and the other Obligors as well as payments due on Loan Payment Dates will be made from the Borrower Transaction Account and the Initial Borrower will be permitted to incur an overdraft on the Borrower Transaction Account provided that the aggregate credit balances on the Barclays Collection Account and the Barclays Tenanted Account must exceed the debit balance on the Borrower Transaction Account by at least £1 million by the end of each business day.

*Disposal Proceeds Account*

Monies standing to the credit of the Disposal Proceeds Account may be withdrawn with the prior written consent of the Borrower Security Trustee. Such consent will not be unreasonably withheld or delayed if the Initial Borrower satisfies the Borrower Security Trustee that certain conditions are met.

*Maintenance Reserve Account*

Monies standing to the credit of the Maintenance Reserve Account may be withdrawn with the prior written consent of the Borrower Security Trustee. Such consent will not be unreasonably

withheld or delayed if the Initial Borrower satisfies the Borrower Security Trustee that certain conditions are met.

### ***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 will (subject to, for so long as the Securitisation Group Parent is a subsidiary of W&DB 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) provide the following to the Borrower Security Trustee, the Issuer Security Trustee, the Note Trustee, the Rating Agencies, 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) will (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) provide the following to the Borrower Security Trustee, the Issuer Security Trustee, the Note Trustee, the Rating Agencies, 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 will 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 calculations;
- (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 will 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 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) shall deliver to the Issuer, the Borrower Security Trustee, the Issuer Security Trustee, the Note Trustee, the Rating Agencies, 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) shall deliver to the Issuer, the Borrower Security Trustee, the Issuer Security Trustee, the Note Trustee, the Rating Agencies, 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 will be made available to the Noteholders on Bloomberg (or such other electronic news services as may be approved by the Borrower Security Trustee) under "WOLV LN". 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 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 will be available for inspection by the Noteholders at the specified office for the time being of the Principal Paying Agent only.

For these purposes:

“**Final Investor Reporting Date**” means the day which falls on the fifth day after the date of publication of the audited annual financial statements of the Securitisation Group Parent and its direct or indirect subsidiaries and, if such day is not a Business Day, the following Business Day.

“**Interim Investor Reporting Date**” means the day which falls on the fifth day after the date of publication of the unaudited semi-annual financial statements of the Securitisation Group Parent and its direct or indirect subsidiaries and, if such day is not a Business Day, the following Business Day.

### ***Appointment of Independent Consultant***

The Initial Borrower will, as soon as is reasonably practicable following request by the Borrower Security Trustee, be 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, shall be 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 Agreement) 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 Trading repudiates or disaffirms the validity of any Borrower Transaction Document;
- (r) the audit report from the auditors on the 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 W&DB, 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 Initial 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 Initial Term Advances (i) first, *pro rata* and *pari passu* in or towards satisfaction of the Initial Term A Advances and (ii) second, *pro rata* and *pari passu* in or towards satisfaction of the Initial Term B Advances; and/or
- (d) by way of purchase of Notes in accordance with the section entitled “*Prepayment of Initial 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 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 an annual basis to the Borrower Security Trustee certifying compliance by the Obligors with their covenants contained in the Issuer/Borrower Facility Agreement. If such compliance certificate shows 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 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 will be governed by English law.

## ***Borrower Security Documents***

The Obligors will 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 to be entered into on or about the Closing Date.

The Borrower Security Trustee will hold the benefit of the security created in its favour under the Borrower Deed of Charge (which together with any deed of accession relating to the Borrower Deed of Charge, 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, Trading, the Account Bank any receiver of any Obligor appointed by the Borrower Security Trustee, W&DB (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 Borrower Deed of Charge, each Obligor will 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 described below (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 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 Disposât 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 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 monies 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); and
- (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 the first ranking fixed security.

### ***Non-Petition***

Each Obligor will covenant 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) will not be 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 pursuant to paragraph 15 of Schedule B1 of the Insolvency Act 1986 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 1986.

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 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 will provide 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 will agree that it is 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 will covenant 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 will be entitled to withdraw amounts standing to the credit of the Borrower Transaction Account 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 Trading 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 (l) (but excluding paragraph (c)(i) below), (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 (l) 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 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 the amounts due in respect 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 (j) below;
- (c) *third*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of any amounts due and owing by:
  - (i) the Obligors to the Account Bank 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 Trading 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 the amounts due in respect 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 (other than any Term A2 Step-Up Amounts) and the Term A3 Advances (other than any Term A3 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 (other than any Term A2 Step-Up Amounts) and the Term A3 Advances (other than any Term A3 Step-Up Amounts);
- (h) *eighth*, in or towards satisfaction, of interest due or accrued due but unpaid under the Term B Advances (other than any Term B Step-Up Amounts);
- (i) *ninth*, in or towards satisfaction, of all amounts of principal and other amounts payable in respect of the Term B Advances (other than any Term B Step-Up Amounts);
- (j) *tenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect 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;
- (k) *eleventh*, 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 A2 Step-Up Amounts or any Term A3 Step-Up Amounts;
- (l) *twelfth*, in or towards satisfaction of any amounts due and owing by the Obligors to the Issuer in respect of any Term B Step-Up Amounts; and
- (m) *thirteenth*, 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 W&DB or the other Covenantors under the Tax Deed of Covenant provide for amounts in respect of the SDLT Reserve to be paid into the Disposai Proceeds Account to create such reserve immediately senior to any sum payable or to be provided for at paragraph (j) above but immediately junior to sums payable or to be provided for under paragraph (i) 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 Obligor.

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 the floating charges over Collection 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 the amounts due in respect 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 the amounts due in respect of:
  - (i) any amounts due and owing by the Obligor 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 the amounts due in respect 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 Bank 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 Bank 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 the amounts due in respect of any amounts due and owing by the Initial Borrower to:
- (i) Trading under the Intra Group Supply Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses; and
  - (ii) Trading 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 in respect 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 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 the amounts due in respect 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 (other than any Term A2 Step-Up Amounts) and the Term A3 Advances (other than any Term A3 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 (other than any Term A2 Step-Up Amounts) and the Term A3 Advances (other than any Term A3 Step-Up Amounts);
- (k) *eleventh*, in or towards satisfaction, of interest due or accrued due but unpaid under the Term B Advances (other than any Term B Step-Up Amounts);
- (l) *twelfth*, in or towards satisfaction, of all amounts of principal and other amounts payable in respect of the Term B Advances (other than any Term B Step-Up Amounts);
- (m) *thirteenth*, 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;
- (n) *fourteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect 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;
- (o) *fifteenth*, in or towards satisfaction of any amounts due and owing by the Obligors to the Issuer in respect of any Term A1 Step-Up Amounts, any Term A2 Step-Up Amounts of any Term A3 Step-Up Amounts;
- (p) *sixteenth*, in or towards satisfaction of any amounts due and owing by the Obligors to the Issuer in respect of any Term B Step-Up Amounts; and
- (q) *seventeenth*, the surplus (if any) shall be deposited promptly in the Borrower Transaction 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 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 the amounts due in respect 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 the amounts due in respect 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 the amounts due in respect 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 Bank 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 Bank 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 Trading under the Account Bank and Cash Management Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses;
  - (vi) the Obligors to Trading 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 the amounts due in respect of any amounts due and owing by the Initial Borrower to:
  - (i) Trading under the Intra Group Supply Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses; and
  - (ii) Trading 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 the amounts due in respect 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, (other than any Term A1 Step-Up Amounts) the Term A2 Advances (other than any Term A2 Step-Up Amounts) and the Term A3 Advances (other than any Term A3 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 (other than any Term A2 Step-Up Amounts) and the Term A3 Advances (other than any Term A3 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 B Advances (other than any Term B 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 B Advances (other than any Term B 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 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;
- (l) *twelfth*, in or towards satisfaction of any amounts due and owing by the Obligors to the Issuer in respect of any Term A1 Step-Up Amounts any Term A2 Step-Up Amounts or any Term A3 Step-Up Amounts;
- (m) *thirteenth*, in or towards satisfaction of any amounts due and owing by the Obligors to the Issuer in respect of any Term B Step-Up Amounts; and
- (n) *fourteenth*, the surplus (if any) to the Obligors.

### **Governing Law**

The Borrower Deed of Charge will be governed by English law.

### **Issuer/Borrower Swap Agreement**

The Initial Borrower will, on the Closing Date, enter into back-to-back hedging arrangements (the "**Issuer/Borrower Swap Agreement**") with the Issuer. The terms of the Issuer/Borrower Swap Agreement will, in all material respects, be equivalent to those of the Interest Rate Swap Agreement (as to which see the section entitled "*Description of Issuer Transaction Documents - Interest Rate Swap Agreement*" below) save that, *inter alia*, neither the Issuer nor the Initial Borrower will be required to maintain minimum ratings, the Issuer will not be 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 will only be 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 will be governed by English law.

### **Account Bank and Cash Management Agreement**

On or about the Closing Date, the Obligors, the Issuer, the Borrower Security Trustee, the Issuer Security Trustee, the Cash Manager and the Account Bank will enter into the Account Bank and Cash Management Agreement pursuant to which the Cash Manager will be 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.

In this section of this document, 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 sub-contracting 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 Cash Manager will give the Account Bank all directions necessary to enable the Account Bank to operate the Obligor Accounts in accordance with the terms of the Account Bank and Cash Management Agreement and normal banking practice.

The appointment of the 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 the Account Bank and the Cash Manager, respectively. In addition, in the event that Trading 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 Trading under the Account Bank and Cash Management Agreement (or any other company in the W&DB 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 the 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 the Account Bank under the Account Bank and Cash Management Agreement.

The Account Bank will represent and warrant 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 collection accounts into which substantially all revenues of the Managed Pubs within the Securitisation Estate are (and will be required to be) received. The Initial Borrower’s main Collection Account (the “**Barclays Collection Account**”) is held with the Account Bank. The Initial Borrower has certain other collection accounts which are not held with the Account Bank (the “**Non-Barclays Collection Accounts**”, and together with the Barclays Collection Account, the “**Collection Accounts**”). Procedures will be put in place to ensure that monies received into the Non-Barclays Collection Accounts may only be transferred by the Cash Manager into the Barclays Collection Account. Monies standing to the credit of the Barclays Collection Account may only be transferred with the prior consent of the Borrower Security Trustee, into the initial Borrower’s main transaction account (the “**Borrower Transaction Account**”). If the consent of the Borrower Security Trustee is obtained (such consent not to be unreasonably withheld or delayed if certain conditions are met), monies may be withdrawn from a Collection Account for the purposes of effecting a transfer, in the case of the Non-Barclays Collection Accounts, to the Barclays Collection Account and, in the case of the Barclays Collection Account, to the Borrower Transaction Account or to return amounts credited to such accounts in error.

Operational and day-to-day payments of the Initial Borrower and the other Obligors as well as payments due on Loan Payment Dates will be made from the Borrower Transaction Account and the Initial Borrower will be permitted to incur an overdraft on the Borrower Transaction Account provided that the aggregate credit balances on the Barclays Collection Account and the Barclays Tenanted Account must exceed the debit balance on the Borrower Transaction Account by at least £1 million by the end of each business day.

In relation to Tenanted Pubs, the Initial Borrower will maintain an account (the “**Barclays Tenanted Account**”) into which substantially all revenues of the Tenanted Pubs within the Securitisation Estate are (and will be required to be) received. The Barclays Tenanted Account is held with the Account Bank. Procedures will be put in place to ensure that monies received into the Barclays Tenanted Account may only be transferred by the Cash Manager into the Barclays Collection Account.

In relation to Tenanted Pubs, the Initial Borrower will receive a deposit from incoming tenants, which is returned to them upon their departure as part of their outgoing settlement. These deposits will be paid into the Barclays Tenanted Account. They will then be transferred to a special tenant’s deposits bank account (the “**Barclays Tenant’s Deposit Account**”). The Barclays Tenant’s Deposit Account will not be charged in favour of the Borrower Security

Trustee and all interest accruing on amounts standing to the credit of the Barclays Tenant's Deposit Account will be for the account of the relevant tenants.

Pursuant to the Account Bank and Cash Management Agreement, the Initial Borrower will also maintain with the 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 Barclays Tenanted Account, the "**Obligor Accounts**").

The Account Bank will undertake 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 Barclays Collection Account, the Barclays Tenanted Account and the Borrower Transaction Account, and in respect of, *inter alia*, properly incurred fees of the 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; and
- (b) sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper) rated by either of S&P and (if applicable) Fitch 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 an 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 "A-1" (by S&P) and (if rated by Fitch) "F-1" or higher and
- (c) in the case of monies standing to the credit of the Disposal Proceeds Account only, investments made in money management funds rated by S&P or Fitch 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 not less than "AAAm" (by S&P) and (if rated by Fitch) "AAA".

No withdrawals will be permitted to be made from any Obligor Account (other than the Borrower Transaction Account) to the extent that such withdrawal would result in the aggregate net balance of any such Obligor Accounts (other than the Borrower Transaction Account) being less than zero.

The Initial Borrower and the Account Bank will be prohibited from making any material amendments to the mandates in relation to the Obligor Accounts without the prior consent of the Borrower Security Trustee.

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of Alliance and Leicester or HSBC are rated below A-1 by S&P, the Initial Borrower will use its reasonable endeavours, within 45 days of such event and at the cost of W&DB to establish equivalent accounts at a replacement bank lender being an English bank or a bank having a branch in the United Kingdom and also being a bank having a branch in the European Union outside the United Kingdom (the “**Replacement Bank Lender**”) whose short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least A-1 by S&P. There will be no such requirement to establish equivalent accounts if not doing so would not adversely affect the then current ratings of the Notes.

#### *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 will be permitted to be made from the Disposal Proceeds Account without the prior consent of the Borrower Security Trustee (such consent not to be unreasonably withheld or delayed if certain conditions are met),

#### *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 will be permitted to be made from the Maintenance Reserve Account without the prior consent of the Borrower Security Trustee (such consent not to be unreasonably withheld or delayed if certain conditions are met).

#### ***Requirement for Eligible Bank***

If the 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 will be governed by English law.

## Services Agreements

### *Overview*

The Borrower will enter into certain arrangements with Trading. 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 Closing Date the Initial Borrower will enter into an intra group supply agreement (the “**Intra-Group Supply Agreement**”) with Trading. The Intra Group Supply Agreement sets out the terms upon which Trading 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 Trading 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 Trading has entered (or may enter) into with third party suppliers. Trading will supply its own products and services to the Initial Borrower on arms’ length terms and conditions. Trading may supply products and services to any other person (whether within or outside the W&DB 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 Trading is subject (under third party supply agreements), are passed on to the Initial Borrower, *pro rata* to the commitments of Trading 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 obligations allocated to the Initial Borrower does not exceed 70 per cent of the volume of such product purchased by the Initial Borrower in the previous year); 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. Trading

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, Trading 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 Trading if Trading 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 Trading. 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 Trading cease to be affiliated group entities.

The Intra Group Supply Agreement will be governed by English law.

### ***Management Services Agreement***

On the Closing Date, the Initial Borrower will enter into a management services agreement (the “**Management Services Agreement**”) with Trading and the Borrower Security Trustee pursuant to which Trading will agree to provide or procure the provision to the Initial Borrower of certain management and administration services in respect of the Securitisation Estate. These services will include the provision of all pub level (in the case of the Managed Pubs) 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 will pay Trading a fee in respect of the services provided by it pursuant to the Management Services Agreement. The fee in respect of the pub level employees will be the costs incurred by Trading in respect of their services and certain pub level expenses. The fee in respect of the services provided by the non-pub level employees will be the Sec utilisation Estate’s proportionate share of the costs incurred by Trading 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 will be provided to the Initial Borrower by Trading on a non-exclusive basis (Trading may provide similar services to other persons whether within or outside of the W&DB Group).

Trading may sub-contract with any sub-contractor or independent contractor to perform all or any portion of Trading’s duties under the Agreement and the costs shall be allocated between Trading and the Initial Borrower on a fair and reasonable basis and in any event cannot exceed the Initial Borrower’s proportionate share, calculated according to the number of pubs owned by

the Initial Borrower compared to the number of pubs owned by the W&DB group as a whole notwithstanding any such sub-contracting, Trading will remain liable to the full extent of its duties and obligations undertaken.

Trading will only be entitled to terminate the Management Services Agreement without the consent of the Borrower Security Trustee and without Trading needing to have first secured a replacement service provider following an unremedied non-payment of its fees by the Initial Borrower. Trading may, however, also terminate its appointment provided that it either appoints another member of the Trading group to act as a replacement service provider or 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 Trading if Trading 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 Trading. If there has been a breach by Trading 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) Trading'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 Trading to provide remaining services under the Management Services Agreement). 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 Trading 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 Trading 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 Trading 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 will be governed by English law.

### ***IP Licences and Related Agreements***

On the Closing Date the Initial Borrower will enter into an intellectual property licence agreement with W&DB, Marston, Thompson & Evershed Limited ("MTE") and Mansfield Brewery Trading Limited ("MBTL", and together with W&DB and MTE, the "IP Licensors") each of which will grant to the Initial Borrower, or procure the grant to the Initial Borrower of, a non-exclusive licence (the "IP Licence Agreement") to use all intellectual property rights that

are either used in the business of the Securitisation Estate immediately before the date of the IP Licence Agreement 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 the IP Licensors (or any member of the W&DB Group) and are not otherwise owned by or licensed to the Initial Borrower (the “**Business IPRs**”). The IP Licence Agreement will be royalty free.

The IP Licence Agreement, together with any other licences granted to the Initial Borrower on or after the Closing Date (the “**IP Licences**”) and with the Intra Group Supply Agreement and the Management Services Agreement are referred to herein as the “**Services Agreements**”.

The IP Licence Agreement will be assignable by the Initial Borrower to the Borrower Security Trustee pursuant to the Borrower Deed of Charge without the consent of the IP Licensors, 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 will not be assignable on a disposal of individual outlets within the Securitisation Estate. Each IP Licensor will covenant to the Initial Borrower and to the Borrower Security Trustee 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 will grant to the Initial Borrower a security power of attorney to remedy breaches of this obligation. Each IP Licensor will covenant to the Initial Borrower and to the Borrower Security Trustee not to dispose of, or grant security over, the Business IPRs.

Each IP Licensor will be 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 will be given protection against the activities of the IP Licensors 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.

The IP Licensors and the Initial Borrower are obliged to notify each other promptly if they become aware of any attack on the validity of the IP Licensors’ 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**”). Each IP Licensor 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 any of the IP Licensors fails to bring such proceedings within a reasonable time, the Initial Borrower shall have the right, at its expense, to commence defence or infringement proceedings.

Each IP Licensor will provide certain warranties to the Initial Borrower and the Borrower Security Trustee, including, for example, that each IP Licensor has authority to grant the licence

of the Business IPRs, that the operations of the Securitisation Estate do not infringe any third party IPRs and that each IP Licensor (or a member of the W&DB group) owns or has validly licensed to it all of the Business IPRs. Each IP Licensor 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 IPRs of a third party.

The IP Licence Agreement will also contain a call option (the “**IP Option**”) in respect of the Business IPRs that are used exclusively in the business of the Securitisation Estate as at the date of exercise of the IP Option (the “**Option IPRs**”). There are currently no material Business IPRs that are being used exclusively in the business of the Securitisation Estate. 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) any IP Licensor 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) any IP Licensor 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) any IP Licensor 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 any IP Licensor, or where an administration order is made or a receiver is appointed in respect of any IP Licensor (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 the IP Licensors on terms equivalent to the IP Licence Agreement.

The IP Licence Agreement will terminate on the earlier of (i) the date falling two calendar years after the date upon which the Initial Borrower ceases to be a member of the W&DB Group; (ii) such time as all of the Borrower Secured Liabilities have been paid in full; or (iii) execution of the IP Assignment Agreement assigning the Option IPRs to the Initial Borrower, upon which the IP Licence Agreement shall terminate in respect of the Option IPRs only, and shall otherwise continue in force, subject to termination under (i) or (ii) above. The IP Licensors and the Initial Borrower will not otherwise have any right to terminate the IP Licence Agreement, except in respect of certain marks and 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 and domain names that is not cured within 30 days of a notice from the IP Licensors notifying it of the breach.

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

## **Initial Borrower Subordinated Loan Agreement**

On the Closing Date, W&DB and, *inter alios*, the Initial Borrower will enter into a subordinated loan agreement (the “**Initial Borrower Subordinated Loan Agreement**”) pursuant to which W&DB will on the Closing Date advance to the Initial Borrower a subordinated loan in an initial aggregate principal amount of approximately £375 million (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 prior to the Loan Payment Date falling in July 2035 or such earlier date agreed between W&DB 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.

The Initial Borrower Subordinated Loan Agreement will be governed by English law.

## **Tax Deed of Covenant**

On or before the Closing Date, W&DB, the other Covenantors, the members of the Securitisation Group, the Issuer, the Issuer Parent, the Borrower Security Trustee and the Issuer Security Trustee will enter into a deed of covenant (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 W&DB Group will make representations and give warranties and covenants with a view to protecting the Issuer, the Issuer Parent and the members of the Securitisation 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, W&DB and certain other parties thereto will undertake to the Borrower Security Trustee, the Issuer Security Trustee, the Issuer, the Issuer Parent and the Securitisation Group to indemnify (on an after tax basis), *inter alios*, each member of the Securitisation 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 Securitisation Group on or before the Closing Date (those transfers occurring on or before the Closing Date being “**Initial Transfers**”) and against all associated costs or expenses incurred by the Securitisation 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 Securitisation Group and, on the other hand, other companies in the W&DB Group (such transfers, whether made by a company which is a member of the Securitisation Group to a company within the W&DB 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**”).

The Tax Deed of Covenant will provide for appropriate collateral arrangements in respect of actual or contingent liabilities arising to members of the Securitisation Group in respect of, broadly: (i) subsequent Intra-Group Transfers to members of the Securitisation Group; (ii) events which would or might reasonably be expected to give rise to any (or increased) actual or contingent Degrouping Tax Liabilities in respect of the Initial Transfers; or (iii) events which would or might reasonably be expected to give rise to any (or increased) actual or contingent Degrouping Tax Liabilities in respect of any Tap Transfers.

In summary, as regards Intra-Group Transfers other than the Initial Transfers and any Tap Transfers, cash collateralisation will be required if and to the extent that the estimated amount of the tax liabilities (the “**Estimated Liability Amount**”) which could arise on a subsequent degrouping exceeds a certain amount. As regards the Initial Transfers, any Tap Transfers and any uncollateralised Intra-Group Transfers (“**Uncollateralised Transfers**”), cash collateralisation will be required in respect of the Estimated Liability Amount on the occurrence of events which might reasonably be expected to give rise to Degrouping Tax Liabilities. Cash collateral will also be required if and to the extent that the Degrouping Tax Liabilities in respect of the Initial Transfers, any Tap Transfers and any Uncollateralised Transfers at any time exceed, broadly, the value of assets secured by the W&DB Security Deed (as calculated at the relevant time). In each case any cash collateral will be required to be deposited in an account charged in favour of the Borrower Security Trustee.

Under the terms of the W&DB Security Deed, W&DB will provide certain security to the W&DB Security Trustee in respect of its obligations to indemnify the Securitisation Group for, and to provide collateral in respect of, certain of the above-mentioned Degrouping Tax Liabilities (together the “**Secured Tax Deed Obligations**”), as to, which see the section entitled “*Description of the Borrower Transaction Documents - W&DB Security Deed*” below.

The Tax Deed of Covenant will be governed by English law.

### **W&DB Security Deed**

On the Closing Date, W&DB will enter into the W&DB 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 W&DB Security Deed, the “**W&DB Security Trustee**”) and the Issuer. Under the W&DB Security Deed, W&DB will, as continuing security for the Secured Tax Deed Obligations, provide the W&DB 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). W&DB will also grant to the trustees of the W&DB Scheme on the Closing Date, second ranking security over all its rights, title, interest and benefit, present and future, in, to and under the Initial Borrower Subordinated Loan Agreement (which may take effect as a floating charge and thus rank behind the claims of certain preferential and other creditors in addition to the W&DB Security Trustee and the Issuer) in support of certain commitments that W&DB may have from time to time in relation to the W&DB Pension Scheme. The interests of the trustees of the W&DB Pension Scheme will at all times be subordinate in point of priority of payment and enforcement of security to those of the Issuer under the W&DB Security Deed and the trustees of the W&DB Pension Scheme shall have no right to require the enforcement of such security until after the Borrower Secured Creditors (other than W&DB) have been repaid in full. The W&DB Security Trustee will hold the benefit of the security created in its favour under the W&DB Security Deed on trust for itself, the Issuer and the members of the Securitisation Group.

The security created under the W&DB 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 the Secured Tax Deed Obligations have each either:

- (a) ceased to be contingent liabilities without becoming actual liabilities; or
- (b) become actual liabilities and all obligations of, *inter alios*, W&DB 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 W&DB and confirmed (in a form satisfactory to the W&DB 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 W&DB Security Trustee (such approval not to be unreasonably withheld or delayed).

The W&DB Security Deed will be 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 Issuer Deed of Charge will be entered into on the 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.

Under the terms of the Issuer Deed of Charge, the Issuer will 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 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; and
- (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,

all as more particularly set out in the Issuer Deed of Charge.

In addition, the Issuer Parent will grant 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 will secure 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) Trading under the Account Bank and Cash Management Agreement and the Issuer Deed of Charge;
- (f) the 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.

***Appointment of an administrative receiver***

If any person who is entitled to do so presents an application for the appointment of an administrator of the Issuer, a notice of intention to appoint an administrator of the Issuer is received by the Issuer Security Trustee or documents are filed with the court or registrar for the administration of the Issuer (whether out of court or otherwise), the issuer 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 pursuant to paragraph 15 of Schedule B1 of the Insolvency Act 1986 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 Issuer Security Trustee) as the Issuer Security Trustee considers appropriate to be an administrative receiver of the Issuer 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 1986.

If the Issuer 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 Issuer Security Trustee shall attend the hearing of the application to oppose the application or make such submissions in regard to the application as the Issuer Security Trustee in its absolute discretion determines to be appropriate. The Issuer Security Trustee shall not be liable for any failure to appoint an administrative receiver under the Issuer Security Documents, save in the case of its own gross negligence, wilful default or fraud.

In addition, the Issuer Security Trustee will (subject to the matters described in “*Indemnity of the Issuer Security Trustee*” below), following the delivery of a Loan Enforcement Notice by the Borrower Security Trustee, enforce the Issuer Security in respect of the Issuer by the appointment of an administrative receiver (if the Issuer Security Trustee has not already done so pursuant to the foregoing).

The Issuer 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 Issuer Security Trustee***

The Issuer Security Trustee will not be obliged to appoint an administrative receiver unless it is indemnified and/or secured to its satisfaction. However, the Issuer Deed of Charge will provide that in the event that the Issuer Security Trustee is required to enforce the Issuer 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 Issuer Security Trustee will agree that it is adequately indemnified and secured in respect of such appointment by virtue of its rights against the Issuer under the Issuer Deed of Charge and the security which it has in respect of such rights. The Issuer will covenant in the Issuer Deed of Charge that, in the event that the Issuer 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 Issuer Security Trustee in respect of such appointment.

### ***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* accordingly 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 the amounts due in respect 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 HM Revenue & Customs;
- (c) *third*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of the amounts due in respect 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 Account Bank under the Account Bank and Cash Management Agreement; and
  - (iv) the fees, other remuneration, indemnity payments, costs, charges and expenses of Trading 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 the amounts due in respect 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 rafa* 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 (other than any Class A2 Step-Up Amounts); and
  - (iii) interest due but unpaid under the Class A3 Notes (other than any Class A3 Step-Up Amounts);
- (g) *seventh*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of principal and all other amounts then due under the Class A1 Notes, the Class A2 Notes and the Class A3 Notes (other than any Class A1 Step-Up Amounts, any Class A2 Step-Up Amounts or any Class A3 Step-Up Amounts);
- (h) *eighth*, in or towards satisfaction of all amounts of interest due but unpaid under the Class B Notes (other than any Class B Step-Up Amounts);

- (i) *ninth*, in or towards satisfaction of all amounts of principal and all other amounts then due under the Class B Notes (other than any Class B Step-Up Amounts);
- (j) *tenth*, 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;
- (k) *eleventh*, 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;
- (l) *twelfth*, in or towards satisfaction of any amounts due in respect of any Class A1 Step-Up Amounts, any Class A2 Step-Up Amounts or any Class A3 Step-Up Amounts;
- (m) *thirteenth*, in or towards satisfaction of any amounts due in respect of any Class B Step-Up Amounts;
- (n) *fourteenth*, in or towards satisfaction of any other amounts (but excluding any sums referred to in paragraph (b)(iii) above) due to HM Revenue & Customs;
- (o) *fifteenth*, in or towards satisfaction of any amount due to the Initial Borrower under the Issuer/ Borrower Facility Agreement (other than amounts due under paragraph (k) above); and
- (p) *sixteenth*, the surplus (if any) to the Issuer (which may be applied by the Issuer in paying dividends on its ordinary share capital) or to other persons entitled thereto.

In addition to the payments described above, on any Interest Payment Date after the 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 (p) above.

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 (i) 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-Enforcement (Pre-Acceleration) Priority of Payments*

From and including the time when a Note Event of Default has occurred (and is continuing) but prior to the delivery of a Note Acceleration Notice, no amount may be withdrawn from the Issuer Transaction Account (other than Swap Excluded Amounts) or the Liquidity Facility Reserve Account without the prior written consent of the Issuer Security Trustee and upon the giving of such consent all monies received or recovered by the Issuer Security Trustee or any receiver are to be applied in the same order of priority as specified under "*Issuer Pre-Acceleration Priority of Payments*" above except that (a) payments to the receiver will rank *pari passu* with payments to the Issuer Security Trustee and (b) no amounts which are not secured by the Issuer Security will be paid except with the consent of the Issuer Security Trustee (the priority of payments in these circumstances being the "**Issuer Post-Enforcement (Pre-Acceleration) Priority of Payments**").

Any surplus monies held by the Issuer Security Trustee or the receiver, excluding Swap Excluded Amounts which shall be returned to the relevant swap provider, but not immediately required by them for payment of any secured liability are to be held in a suspense account for future application or where Condition 7(e) applies, in redemption of the required Classes of Notes.

*Issuer Post-Enforcement (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-Enforcement (Post-Acceleration) Priority of Payments**") and, together with the Issuer Pre-Acceleration Priority of Payments and the Issuer Post-Enforcement (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 the amounts due in respect 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 Account Bank under the Account Bank and Cash Management Agreement;
  - (iv) the fees, other remuneration, indemnity payments, costs, charges and expenses of Trading 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 the amounts due in respect 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 interest due but unpaid under the Class A1 Notes, the Class A2 Notes and the Class A3 Notes (other than any Class A1 Step-Up Amounts, any Class A2 Step-Up Amounts or any Class A3 Step-Up Amounts);
- (f) *sixth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of principal and all other amounts then due under the Class A1 Notes, the Class A2 Notes and the Class A3 Notes (other than any Class A1 Step-Up Amounts, any Class A2 Step-Up Amounts or any Class A3 Step-Up Amounts);
- (g) *seventh*, in or towards satisfaction of all amounts of interest due but unpaid under the Class B Notes (other than any, Class B Step-Up Amounts);
- (h) *eighth*, in or towards satisfaction, of all amounts of principal and all other amounts then due under the Class B Notes (other than any Class B Step-Up Amounts);
- (i) *ninth*, in or towards satisfaction, *pari passu* and *pro rafa* according to the respective amounts thereof, of the amounts due in respect of:
- (i) any Liquidity Subordinated Amounts; and
- (ii) any Swap Subordinated Amounts;
- (j) *tenth*, 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;
- (k) *eleventh*, in or towards satisfaction of any amounts due in respect of any Class A1 Step-Up Amounts, any Class A2 Step-Up Amounts or any Class A3 Step-Up Amounts;
- (l) *twelfth*, in or towards satisfaction of any amounts due in respect of any Class B Step-Up Amounts;
- (m) *thirteenth*, in or towards satisfaction of any amount due to the Initial Borrower under the Issuer/ Borrower Facility Agreement (other than amounts due under paragraph (J) above); and
- (n) *fourteenth*, the surplus (if any) to the Issuer or to any other person entitled thereto.

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:

“**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 Ledgers 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 will be governed by English law.

## **Account Bank and Cash Management Agreement**

The Obligors, the Issuer, the Borrower Security Trustee, the Issuer Security Trustee, Trading and the Account Bank will, on or before the Closing Date, enter into the Account Bank and Cash Management Agreement pursuant to which Trading will be 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.

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.

Trading 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 sub-contracting or delegation of the performance of any of its obligations under the Account Bank and Cash Management Agreement, Trading 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, Trading will receive a quarterly fee.

Trading will give the Account Bank all directions necessary to enable the Account Bank to operate the Issuer Accounts in accordance with the terms of the Account Bank and Cash Management Agreement and normal banking practice.

The Account Bank represents and warrants that it is an Eligible Bank.

### ***Issuer Accounts***

Under the Account Bank and Cash Management Agreement, Trading is 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, Trading will (subject to the satisfaction of certain conditions) be 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 Account Bank will undertake 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 for the purpose of, *inter alia*, receiving payments from the Obligors and making payments in accordance with the relevant Issuer Priority of Payments.

Trading will 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. Trading 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 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 Account Bank ceases to be an Eligible Bank, the Issuer will be 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 will be governed by English law.

#### **Liquidity Facility Agreement**

On the Closing Date, the Issuer will enter into a liquidity facility agreement (the “**Liquidity Facility Agreement**”) pursuant to which the Liquidity Facility Provider will provide a 364-day committed sterling revolving liquidity facility to permit drawings to be made of up to a maximum aggregate principal amount of £86 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 364-day period to pay in full any of the items specified in paragraphs (a) to (i) (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 B Notes will be limited to £17 million until such time as the Class B Notes 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.

The drawdown conditions under the Liquidity Facility Agreement are that the Liquidity Facility Provider has received from the Issuer a duly completed liquidity facility drawing notice, the proposed date for the making of such liquidity drawing is an Interest Payment Date and within the availability period of the Liquidity Facility Agreement, the proposed amount of such liquidity drawing does not exceed the lesser of: (i) the amount of the available liquidity facility and (ii) the Liquidity Shortfall, and no Liquidity Facility Event of Default (as defined below) has occurred and is continuing and has not been waived.

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 will provide 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.

The Liquidity Facility Agreement contains events customary for a facility of that nature that may lead to an event of default and acceleration of amounts outstanding (each a “**Liquidity Facility Event of Default**”). These will include, *inter alia*, the following:

- (a) the Issuer fails to pay any sum due from it under the Liquidity Facility Agreement (unless sufficient funds are not available for such payment in accordance with the relevant Issuer Priority of Payments) at the time, in the currency and in the manner specified in the Liquidity Facility Agreement and such failure continues, in the case of failure to pay principal for a period of 3 Business Days and, in the case of failure to pay interest or any other sum apart from principal for a period of 5 Business Days;
- (b) the Note Trustee delivers a Note Acceleration Notice or, having become bound to do so, fails to serve a Note Acceleration Notice within 30 days of becoming so bound, and such failure is continuing;
- (c) at any time it is or becomes unlawful for the Issuer to perform or comply with any or all of its material obligations under the Liquidity Facility Agreement or any of the other Transaction Documents to which the Liquidity Facility Provider is party or any of the obligations of the Issuer under the Liquidity Facility Agreement or any of the other Transaction Documents to which the Liquidity Facility Provider is party are not or cease to be legal, valid, binding and enforceable;

- (d) the Issuer fails duly to perform or comply with any material obligation, condition or provision expressed to be assumed by it in the Liquidity Facility Agreement (unless sufficient funds are not available for such payment in accordance with the relevant Issuer Priority of Payments) and such failure continues for 14 Business Days after the Liquidity Facility Provider has given notice of such failure to perform or comply to the Issuer requiring remedy (or the date on which the Issuer became aware of the same, if earlier);
- (e) any representation, warranty or statement which is given by the Issuer in the Liquidity Facility Agreement proves to be incorrect in any material respect when given or, if it were repeated at any time by reference to the circumstances then prevailing, would be incorrect in any material respect at such time or any representation, warranty or statement contained in any certificate, statement or notice provided under or in connection with the Liquidity Facility Agreement proves to be incorrect in any material respect at the time it was made and the result of any of the foregoing materially and adversely affects the financial condition of the Issuer or its ability to observe or perform its obligations under the Liquidity Facility Agreement and such breach continues for 14 Business Days after the Liquidity Facility Provider has given notice of such breach to the Issuer requiring remedy (or the date on which the Issuer became aware of the same, if earlier); or
- (f) any of the following occurs:
  - (i) if no administrative receiver has been appointed in accordance with the Issuer Deed of Charge with respect to the Issuer and an administrator has been appointed or a winding-up order (other than a winding-up for the purposes of merger, amalgamation or reconstruction the terms of which shall have been previously approved by the Issuer Security Trustee) is made with respect to the Issuer;
  - (ii) any administrative receiver appointed with respect to the Issuer under the Issuer Deed of Charge is removed and a liquidator or administrator is appointed with respect to the Issuer.

In addition, the Liquidity Facility Agreement will provide 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 the 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 will be governed by English law.

### **Interest Rate Swap Agreement**

The Issuer will, on or before the Closing Date, enter into the Interest Rate Swap Agreement with the Swap Counterparty in order to hedge the obligations of the Issuer with respect to (a) the floating rate component of interest payments under the Class A1 Notes and (b) the floating rate component of interest payments under the Class A2 Notes from and including the Class A2 Step-Up Date and (c) the floating rate component of interest payments under the Class A3 Notes from and including the Class A3 Step-Up Date and (d) the floating rate component of interest payments under the Class B Notes from and including the Class B Step-Up Date. The transactions under the Interest Rate Swap Agreement will 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 October 2005 (or, in the case of the Class A2 Notes, commencing on the Class A2 Step-Up Date or, in the case of the Class A3 Notes, commencing on the Class A3 Step-Up Date or, in the case of the Class B Notes, commencing on the Class B Step-Up Date) and ending on the Final Maturity Date of the applicable class of Notes, the Issuer will make fixed rate payments (the fixed rate component of which in respect of the Class A1 Notes will increase after the Class A1 Step-Up Date which in respect of the Class A2 Notes will increase after the Class A2 Step-Up Date and which in respect of the Class A3 Notes will increase after the Class A3 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 will, on the corresponding Interest Payment Date, 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 will be 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 rate for the Issuer will be 4.865 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 Long-Term Ratings and/or the Minimum Short-Term Ratings and in either case the then current rating of the outstanding Notes are downgraded or placed under a review for a possible downgrade, the Swap Counterparty will be required within 30 days thereof to take one of certain remedial measures . which may include (i) the provision of collateral for its obligations under the Interest Rate Swap Agreement; (ii) the transfer of its obligations under the Interest Rate Swap Agreement to a replacement swap counterparty who has the Minimum Short-Term Ratings and the Minimum Long-Term Ratings; (iii) procuring another person who has the Minimum Short-Term Ratings and the Minimum Long-Term Ratings to become a co-obligor or to guarantee the obligations of the Swap Counterparty; or (iv) taking such other action as it may agree with the relevant Rating Agency.

If the ratings assigned to the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty are downgraded below “A-3” by S&P or “F-2” by Fitch, the Swap Counterparty will be required to take one of certain further remedial measures which may include transferring its obligations under the relevant Interest Rate Swap Agreement to a replacement swap counterparty who has the Minimum Short-Term Ratings and the Minimum Long-Term Ratings, or procuring another person who has the Minimum Short-Term Ratings and the Minimum Long-Term Ratings to guarantee the obligations of the Swap Counterparty or such other action as S&P and Fitch may agree (such that the then current ratings of the Notes will not be adversely affected).

### ***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***

Trading will 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 Long-Term Ratings and the Minimum Short-Term Ratings or its performance under the Interest Rate Swap Agreement and the related transactions will be guaranteed in full by the relevant Swap Counterparty.

### **Security and Ranking**

The Issuer's obligations to the Swap Counterparty under the Interest Rate Swap Agreement will be 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 Agreements 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 and, on and following the Class A2 Step-Up Date, the Term A2 Advances and, on and following

the Class A3 Step-Up Date, the Term A3 Advances and, on and following the Class B Step-Up Date, the Term B 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 will be governed by English law.

### **Corporate Services Agreement**

On or before the Closing Date, the Issuer will enter into a corporate services agreement (the “**Corporate Services Agreement**”) with SPV Management Limited whose registered office is at Tower 42 (Level 11), International Financial Centre, 25 Old Broad Street, London EC2N 1HQ (as Corporate Services Provider) and the Issuer Security Trustee under which the Corporate Services Provider will agree to provide certain corporate administration services to the Issuer. The Corporate Services Provider will be 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 Issuer Available Funds 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 will be governed by English law.

## USE OF PROCEEDS

The gross proceeds from the issue of the Class A1 Notes will be £236,000,000, the gross proceeds from the issue of the Class A2 Notes will be £214,000,000, the net proceeds from the issue of the Class A3 Notes will be £200,000,000 and the gross proceeds from the issue of Class B Notes will be £155,000,000.

On the 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 gross proceeds from the issue of the Notes to make the Initial Term Advances to the Initial Borrower in an aggregate principal amount of £805,000,000.

On the Closing Date, upon receipt by the Initial Borrower of the Initial 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 W&DB; and/or
- (b) in or towards the payment of costs and expenses relating to the Acquisition and the other transactions described by or contemplated by this document and in paying the Initial Facility Fee to the Issuer which will use the proceeds thereof to meet certain of its transaction costs and expenses.

## THE ISSUER

### Introduction

The Issuer was incorporated in England and Wales under the Companies Act 1985 (as amended) on 21 May, 2004 as a private company with limited liability as a special purpose vehicle for the purpose of issuing asset backed securities under the name Hackremco (No. 2153) Limited with company number 05135049. The company then re-registered as a public company with limited liability and changed its name to W&DB Issuer PLC pursuant to a special resolution dated 6 July, 2005. The registered office of the Issuer is c/o SPV Management Limited, Tower 42 (Level 11), International Financial Centre, 25 Old Broad Street, London EC2N 1HQ, telephone +44 (0)20 7614 1111. 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 W&DB Issuer Parent Limited (the “**Issuer Parent**”) and one is held by Elizabeth Nead of Tower 42 (Level 11), International Financial Centre, 25 Old Broad Street, London EC2N 1HQ (on trust for the Issuer Parent).

### Principal Activities

The objects of the Issuer are set out in 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 document 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/ Occupation</b>
Mark Howard Filer	Tower 42 (Level 11) International Financial Centre 25 Old Broad Street London EC2N 1HQ	Director
Robin Gregory Baker	Tower 42 (Level 11) International Financial Centre 25 Old Broad Street London EC2N 1HQ	General Manager
SPV Management Limited	Tower 42 (Level 11) International Financial Centre 25 Old Broad Street London EC2N 1HQ	Management of special purpose companies

The company secretary of the Issuer is SPV Management 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 document, as adjusted for the issue of the 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, 49,999 issued paid up as to £0.25 and 1 issued fully paid	£12,500.75
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### Loan Capital

£236,000,000 Class A1 Secured Floating Rate Notes due 2020	£236,000,000
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£214,000,000 Class A2 Secured Fixed/Floating Rate Notes due 2027	£214,000,000
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£200,000,000 Class A3 Secured Fixed/Floating Rate Notes due 2032	£200,000,000
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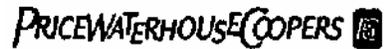
£155,000,000 Class B Secured Fixed/Floating Rate Notes due 2035	£155,000,000
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<b>Total capitalisation and indebtedness:</b>	<b>£805,012,500.75</b>
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Save for the foregoing, as at the date of this document, 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.

## Accountants' Report on W&DB Issuer PLC

The following is the text of a report received by the directors of the Issuer from PricewaterhouseCoopers LLP, reporting accountants to the Issuer.



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PricewaterhouseCoopers LLP Cornwall Court 19 Cornwall Street Birmingham B3 2DT
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The Directors  
W&DB Issuer PLC  
c/o SPV Management Limited  
Tower 42 (Level 11)  
International Financial Centre  
25 Old Broad Street  
London EC2N 1HQ

5 August, 2005

Dear Sirs

### Introduction

We report in connection with the issue by W&DB Issuer PLC (the “**Issuer**”), a subsidiary of W&DB Issuer Parent Limited, of £236,000,000 Class A1 Notes due 2020 (“**Class A1 Notes**”), £214,000,000 Class A2 Notes due 2027 (“**Class A2 Notes**”), £200,000,000 Class A3 Notes due 2032 (“**Class A3 Notes**”) and £155,000,000 Class B Notes due 2035 (“**Class B Notes**”, and together with the Class A1 Notes, the Class A2 Notes and the Class A3 Notes, the “**Notes**”).

We report on the financial information set out below. This financial information has been prepared for inclusion in the Offering Circular dated 5 August, 2005 of the Issuer (the “**Offering Circular**”) on the basis of the accounting policies set out in note 4 to the financial information. This report is required by item 8.2 of Annex VII of the Prospectus Rules and is given for the purpose of complying with that paragraph and for no other purpose.

### Responsibility

The directors of the Issuer are responsible for preparing the financial information set out below on the basis of preparation set out in note 3 to the financial information and in accordance with accounting principles generally accepted in the United Kingdom.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Offering Circular, and to report our opinion to you.

## **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. Our work also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

## **Opinion**

In our opinion, the financial information gives, for the purposes of the Offering Circular, a true and fair view of the state of affairs of the Issuer as at the dates stated and of its profits and cashflows for the periods then ended in accordance with the basis of preparation set out in note 3 and in accordance with the accounting policies set out in note 4.

## **Declaration**

For the purposes of Prospectus Rule 5.5.4R(2)(f) we are responsible for this report as part of the Offering Circular and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Offering Circular in compliance with item 1.2 of Annex VII of the Prospectus Rules.

Yours faithfully,

**PricewaterhouseCoopers LLP**

## Financial Information on W&DB Issuer PLC

### 1. Balance Sheet

The balance sheet of the Issuer as at 1 August, 2005 is as follows:

	<i>Notes</i>	<i>At 1 August, 2005 £</i>
<b>Current Assets</b>		
Cash at bank and in hand	6	1.00
Other debtors		12,499.75
Net Assets		12,500.75
<b>Capital and Reserves</b>		
Called up share capital	5	12,500.75
Total Equity Shareholders Funds		12,500.75

### 2. Cashflow

The cashflow of the Issuer from incorporation to 1 August, 2005 is as follows:

	<i>At 1 August, 2005 £</i>
Financing	1
<b>Total Cashflow</b>	<b>1</b>

### 3. Basis of Preparation

The financial information set out above is based on the non-statutory audited financial statements of the Issuer for the period from incorporation to 1 August, 2005 to which no adjustments were considered necessary.

The Issuer was incorporated on 21 May, 2004 with the name Hackremco (No. 2153) Limited as a private company limited by shares. The Issuer then re-registered as a public company with limited liability and changed its name to W&DB Issuer PLC pursuant to a special resolution dated 6 July, 2005. The Issuer has not yet commenced to trade and has not paid or declared a dividend.

### 4. Accounting Policies

#### Basis of accounting

The financial information has been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

## **5. Share Capital**

At 1 August, 2005 the authorised share capital of the Issuer was 50,000 ordinary shares of £1 each. On 27 June, 2005 W&DB Issuer Parent Limited subscribed for 49,999 ordinary shares of £1 each and Elizabeth Nead (on behalf of W&DB Issuer Parent Limited) acquired the existing fully paid up ordinary share of £1 for consideration of £1.

On 27 June, 2005, 49,999 ordinary shares were allotted to W&DB Issuer Parent Limited with £0.25 called up.

At 1 August, 2005 the issued share capital was 50,000 ordinary shares of which 1 was fully paid and 49,999 were called up as to £0.25 per share, resulting in called up share capital amounting to £12,500.75.

## **6. Other Debtors**

The Other Debtors balance represents the outstanding amount receivable in respect of the share capital allotted to W&DB Issuer Parent Limited on 27 June, 2005. This balance was settled in cash on 4 August, 2005.

## **7. Post Balance Sheet Event**

On 4 August, 2005 the Issuer entered into a swap arrangement (the Interest Rate Swap Agreement) with HSBC Bank plc. The hedging arrangements under the Interest Rate Swap Agreement will become effective on the 9 August, 2005 and will be used to hedge the floating rate notes which are to be issued by the Issuer.

On 4 August, 2005 the Issuer entered into a swap arrangement (the Issuer/Borrower Swap Agreement) with W&DB Pubs Limited. The hedging arrangements under the Issuer/Borrower Swap Agreement will become effective on the 9 August, 2005 and will be used to hedge the floating rate element of the issuer/Borrower Facility Agreement.

## **8. Parent Undertaking and Controlling Party**

The Issuer's ultimate parent undertaking is SPV Management Limited which holds the shares of the Issuer's immediate parent company, W&DB Issuer Parent Limited, under a charitable trust. SPV Management was incorporated in England and Wales on 12 October, 1990.

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 are together intended to prevent any abuse of control of the Issuer.

The Issuer was set up with the sole purpose of issuing the Notes which are to be secured on the assets of W&DB Pubs Limited, a subsidiary of W&DB Pubs Parent Limited, which is owned by The Wolverhampton & Dudley Breweries, PLC. The Wolverhampton & Dudley Breweries, PLC is the ultimate controlling party of the Issuer and as such its directors consider the Issuer to be a quasi-subsiidiary, as defined by FRS 5, of The

Wolverhampton & Dudley Breweries, PLC Group and hence will include the results of the Issuer in its consolidated financial statements.

## ISSUER PARENT

### Introduction

The Issuer Parent was incorporated in England and Wales under the Companies Act 1985 (as amended) on 29 March, 2005 as a company with limited liability under the name Hackremco (No. 2260) Limited with company number 05405439. The company then changed its name to W&DB Issuer Parent Limited pursuant to a special resolution dated 20 June, 2005. The registered office of the Issuer Parent is c/o SPV Management Limited, Tower 42 (Level 11), International Financial Centre, 25 Old Broad Street, London EC2N 1HQ, telephone +44 (0)20 7614 1111. The authorised share capital of the Issuer Parent is £100 divided into 100 ordinary shares of £1 each, one of which is issued and is credited as fully paid. The issued fully paid ordinary share is held on behalf of charitable trusts by SPV Management Limited.

### Principal Activities

The objects of the Issuer Parent are set out in its Memorandum of Association, pursuant to which the Issuer Parent is permitted, *inter alia*, to hold the shares in the Issuer.

The 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 document to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

The Issuer Parent's ultimate parent undertaking is SPV Management Limited which holds its shares under a declaration of trust for charitable purposes. SPV Management Limited was incorporated in England and Wales on 12 October, 1990. English company law combined with the holding structure of the Issuer Parent, covenants made by the Issuer Parent in the Transaction Documents and the role of the Issuer Security Trustee are together intended to prevent any abuse of control of the Issuer Parent.

There have been no recent developments (save for the transactions referred to or contemplated in this document) with respect to the Issuer Parent since 29 March, 2005 (being the date of its incorporation). The Issuer Parent has not yet commenced to trade and has not paid or declared a dividend.

There is no intention to accumulate surpluses in the 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/ Occupation</b>
Mark Howard Filer	Tower 42 (Level 11) International Financial Centre 25 Old Broad Street London EC2N 1HQ	Director
Robin Gregory Baker	Tower 42 (Level 11) International Financial Centre 25 Old Broad Street London EC2N 1HQ	General Manager
SPV Management Limited	Tower 42 (Level 11) International Financial Centre 25 Old Broad Street London EC2N 1HQ	Management of special purpose companies

The company secretary of the Issuer Parent is SPV Management 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 at the date of this document 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

Loan from SPV Management Limited	£12,499.75
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<b>Total capitalisation and indebtedness:</b>	<b>£12,500.75</b>
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Save for the foregoing, as at the date of this document, the 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 16 May, 2005 as a private company with limited liability with company number 05453367 under the name of W&DB Pubs Limited. The registered office of the Initial Borrower is at P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY, telephone +44 (0)1902 711811. The authorised share capital of the Initial Borrower is £1,000 divided into 1,000 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 document 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>Occupation</b>
	P.O. Box 26 Ralph Findlay Park Brewery Bath Road Wolverhampton WV1 4NY	Director
Paul Inglett	P.O. Box 26 Park Brewery Bath Road Wolverhampton WV1 4NY	Director
Derek Andrew	P.O. Box 26 Park Brewery Bath Road Wolverhampton WV1 4NY	Director
Alistair Darby	P.O. Box 26 Park Brewery Bath Road Wolverhampton WV1 4NY	Director
Stephen Oliver	P.O. Box 26 Park Brewery Bath Road Wolverhampton WV1 4NY	Director

The company secretary of the Initial Borrower is Anne-Marie Brennan.

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 the date of this document, as adjusted for the Term Advances, is as follows:

#### **Share capital**

*Authorised:*

£1,000 divided into 1,000 ordinary shares of £1 each	£1,000
--	--------

*Issued:*

1 ordinary share of £1, issued fully paid or credited as fully paid	£1
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#### **Capital Contribution**

Capital contribution of £89	£89
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#### **Loan Capital**

£236,000,000 Term A1 Facility	£236,000,000
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£214,000,000 Term A2 Facility	£214,000,000
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£200,000,000 Term A3 Facility	£200,000,000
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£155,000,000 Term B Facility	£155,000,000
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Initial Borrower Subordinated Loan from The Wolverhampton & Dudley Breweries, PLC	£375,521,606
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<b>Total capitalisation and indebtedness:</b>	<b>£1,180,521,696</b>
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Save for the foregoing, at the date of this document, 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.

## Accountants' Report on W&DB Pubs Limited

The following is the text of a report received by the directors of the Issuer from PricewaterhouseCoopers LLP reporting accountants to the Issuer.



---

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham B3 2DT

The Directors  
W&DB Issuer PLC  
c/o SPV Management Limited  
Tower 42 (Level 11)  
International Financial Centre  
25 Old Broad Street  
London EC2N 1HQ

5 August, 2005

Dear Sirs

### Introduction

W&DB Issuer PLC (the “**Issuer**”), a subsidiary of W&DB Issuer Parent Limited, is to issue £236,000,000 Class A1 Notes due 2020 (“**Class A1 Notes**”), £214,000,000 Class A2 Notes due 2027 (“**Class A2 Notes**”), £200,000,000 Class A3 Notes due 2032 (“**Class A3 Notes**”) and £155,000,000 Class B Notes due 2035 (“**Class B Notes**”).

We report on the financial information of W&DB Pubs Limited (the “**Initial Borrower**”) set out below. This financial information has been prepared for inclusion in the Offering Circular dated 5 August, 2005 of the Issuer (the “**Offering Circular**”) on the basis of the accounting policies set out in note 4 to the financial information. This report is required by item 8.2 of Annex VII of the Prospectus Rules and is given for the purpose of complying with that paragraph and for no other purpose.

### Responsibility

The directors of the Issuer are responsible for preparing the financial information set out below on the basis of preparation set out in note 3 to the financial information and in accordance with accounting principles generally accepted in the United Kingdom.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Offering Circular, and to report our opinion to you.

## **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. Our work also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

## **Opinion**

In our opinion, the financial information gives, for the purposes of the Offering Circular, a true and fair view of the state of affairs of the Initial Borrower as at the dates stated and of its profits and cashflows for the periods then ended in accordance with the basis of preparation set out in note 3 and in accordance with the accounting policies set out in note 4.

## **Declaration**

For the purposes of Prospectus Rule 5.5.4R(2)(f) we are responsible for this report as part of the Offering Circular and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Offering Circular in compliance with item 1.2 of Annex VII of the Prospectus Rules.

Yours faithfully,

**PricewaterhouseCoopers LLP**

## Financial Information on W&DB Pubs Limited

### 1. Balance Sheet

The balance sheet of the Initial Borrower as at 1 August, 2005 is as follows:

	<i>Notes</i>	<i>At 1 August, 2005</i>
		£
<b>Current Assets</b>		
Cash at bank and in hand		1
Net Assets		1
<b>Capital and Reserves</b>		
Called up share capital	5	1
<b>Total Equity Shareholders' Funds</b>		1

### 2. Cashflow

The cashflow of the Initial Borrower from incorporation to 1 August, 2005 is as follows:

	<i>At 7 August, 2005</i>
	£
Financing	1
Total Cashflow	1

### 3. Basis of Preparation

The information contained in this report has been prepared at the request of the Issuer. The financial information set out above is based on the non-statutory audited financial statements of the Initial Borrower for the period from incorporation to 1 August, 2005 to which no adjustments were considered necessary.

The Initial Borrower was incorporated on 16 May, 2005 with the name W&DB Pubs Limited as a private company limited by shares. The Initial Borrower has not yet commenced to trade and has not paid or declared a dividend.

### 4. Accounting Policies

#### Basis of accounting

The financial information has been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

### 5. Share Capital

At 1 August, 2005 the authorised share capital of the Initial Borrower was 1,000 ordinary shares of £1 each. On incorporation, W&DB Pubs Parent Limited subscribed for 1 ordinary share of £1, fully called up, for consideration of £1 per share.

At 1 August, 2005 the issued share capital was 1 ordinary share of £1 of which 1 was fully paid and called up as to £1 per share, resulting in called up share capital amounting to £1.

**6. Post Balance Sheet Event**

On 4 August, 2005 the Initial Borrower entered into a swap arrangement (the Issuer/Borrower Swap Agreement) with W&DB Issuer PLC. The hedging arrangements under the Issuer/Borrower Swap Agreement will become effective on the 9 August, 2005 and will be used to hedge the floating rate element of the Issuer/Borrower Facility Agreement. Additionally on 2 August, 2005 the Initial Borrower received £89 of capital contribution which it used to purchase gilts with a value of £89.

**7. Parent Undertaking and Controlling Party**

The immediate parent undertaking of the Initial Borrower is W&DB Pubs Parent Limited. The directors consider the controlling party of W&DB Pubs Limited to be The Wolverhampton & Dudley Breweries, PLC.

## THE SECURITISATION GROUP PARENT

### **Introduction**

The Securitisation Group Parent was incorporated in England and Wales under the Companies Act 1985 (as amended) on 16 May, 2005 as a private company with limited liability with company number 05453370 under the name of W&DB Pubs Parent Limited. The registered office of the Securitisation Group Parent is at P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY. The authorised share capital of the Securitisation Group Parent is £1,000, divided into 1,000 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 The Wolverhampton & Dudley Breweries, PLC.

### **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 document to which it is or will be a party and matters which are incidental or ancillary to the foregoing. No accounts have been made up as at the date of this document for the Securitisation Group Parent.

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>
Ralph Findlay	P.O. Box 26 Park Brewery Bath Road Wolverhampton WV1 4NY	Director
Paul Inglett	P.O. Box 26 Park Brewery Bath Road Wolverhampton WV1 4NY	Director
Derek Andrew	P.O. Box 26 Park Brewery Bath Road Wolverhampton WV1 4NY	Director
Alistair Darby	P.O. Box 26 Park Brewery Bath Road Wolverhampton WV1 4NY	Director
Stephen Oliver	P.O. Box 26 Park Brewery Bath Road Wolverhampton WV1 4NY	Director

The company secretary for the Securitisation Group Parent is Anne-Marie Brennan.

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 the Securitisation Group Parent extracted from the unaudited records of the Securitisation Group Parent as at that date of this document is as follows:

### Share capital

*Authorised:*

£1,000 divided into 1,000 ordinary shares of £1 each	£1,000
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*Issued:*

1 ordinary share of £1, issued fully paid or credited as fully paid	£1
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<b>Total capitalisation and indebtedness:</b>	<b>£1</b>
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Save for the foregoing, at the date of this document, the Securitisation Group Parent has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges, convertible debt securities, debt securities with warrants attached or guarantees or other contingent liabilities.

**VALUATION REPORT ON THE SECURITISATION ESTATE**

**Valuation of a Portfolio of  
1,592 Freehold and Long Leasehold  
Public Houses owned by  
The Wolverhampton & Dudley  
Breweries, PLC Group**

The Directors  
The Wolverhampton Et Dudley Breweries, PLC  
PO Box 26  
Park Brewery  
Bath Road  
Wolverhampton WV1 4NY

The Directors  
W&DB Pubs Limited  
PO Box 26  
Park Brewery  
Bath Road  
Wolverhampton WV1 4NY

The Directors  
W&DB Issuer PLC  
c/o SPV Management Limited  
Tower 42 (Level 11)  
International Finance Centre  
25 Old Broad Street  
London EC2N 1HQ

The Royal Bank of Scotland plc (as Lead Arranger)  
135 Bishopsgate  
London EC2M 3UR

HSBC Trustee (C.I.) Limited  
1 Grenville Street  
St Hellier  
Jersey  
Channel Islands JE4 9PF

Barclays Bank PLC  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
(as Joint Lead Manager)

HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
(as Joint Lead Manager)

5 August 2005

**Gentlemen**

**Valuation of a Portfolio of 1,592 Freehold and Long Leasehold Public Houses owned and operated by The Wolverhampton & Dudley Breweries, PLC Group**

**Introduction**

In accordance with the instructions of the Directors of The Wolverhampton & Dudley Breweries, PLC, (hereinafter referred to as “the Company”), and the Directors of W&DB Issuer PLC, given to us on 11 April 2005 and confirmed in our Letter of Engagement dated 21 June 2005 we have prepared a valuation (the “Valuation”) as at 2 July 2005 (the “Date of Valuation”) of the portfolio of 1,592 freehold and long leasehold public houses (the “Portfolio”) in England and Wales which are owned and operated by the Company.

We understand that the Valuation is required for inclusion in the Offering Circular which will form the basis of the Securitisation Offer.

**Christie + Co**

Christie + Co is the trading name of Christie Owen & Davies plc, part of the Christie Group plc which is listed on the London Stock Exchange.

Christie + Co was established in 1935 and is one of the UK’s largest firms of surveyors, valuers and agents practising in the licensed sector, employing approximately 360 people in offices throughout Britain and Europe.

In undertaking the Valuation, Christie + Co are acting as External Valuers who are defined as

“A valuer who is not an internal valuer, where neither he nor any of his partners or co-directors are directors or employees of the client company or have a significant financial interest therein, and where the client company does not have a significant financial interest in the valuer’s company”.

From time to time Christie + Co provide various services to the Company including valuation, acquisition and disposal advice.

Christie + Co are satisfied that no conflict of interest exists which would prevent us acting in the preparation of the Valuation.

The aggregate fees earned by Christie + Co from the Company amounted to less than 5% of Christie + Co's total fee income in the year to 31 December 2004, and this proportion is not expected to materially change during the current financial year.

### **Management and Conduct of the Valuation**

The Valuation has been undertaken by a team of senior directors of Christie + Co and qualified valuers, all of whom are experienced in the valuation of similar portfolios of public houses. The Valuation has been prepared under the direction of James Shorthouse BSc MRICS and Colin Wellstead.

### **Approach to the Valuation**

The Valuation has been prepared in accordance with the RICS Appraisal and Valuation Standards 5<sup>th</sup> Edition (the "Red Book"). In accordance with Guidance Note 3 of the Red Book the Market Value which is reported herein assumes that all of the Properties are sold as a Portfolio, in a single transaction.

The Valuation does not represent valuations of individual properties and were the properties to be disposed of individually, or in small groups, then the sum of the values realised is likely to be less than the Valuation reported herein.

The Valuation is made on the basis of Market Value which is defined in the Red Book as:

"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."

The conceptual framework of Market Value, as set out in International Valuation Standards, and as recognised in the Red Book, is detailed in Appendix I.

The Valuation is subject to a specific departure from the Red Book in assuming that the properties within the Portfolio continue to be used only for their existing use for the foreseeable future. We have made no allowance for alternative uses as, in our experience, purchasers of similar portfolios of public houses reflect the likely opportunity for obtaining higher alternative use value for a number of the properties in their bid.

In our experience, bids made for substantial portfolios of public houses incorporate a premium which reflects a number of benefits of acquiring such a portfolio (refer to Valuation Methodology).

### **Information**

We have been provided with various information (the "Information") by the Company upon which we have relied and which included:

- Management accounting information for all properties within the Portfolio.

- Information on the tenure of each property.
- Details of significant capital investment schemes.
- Details of tenancy and lease agreements.
- Details of relevant head office costs.

### **Inspections**

Christie + Co are familiar with the majority of the Portfolio having inspected 82.5% of the Portfolio within the last 15 months, including all of the properties in the W&D and Mansfield estates.

All of the properties in the Burtonwood estate have been inspected by Messer’s Gillman Jones, Chartered Surveyors, and in undertaking the Valuation we have inspected a 34.5% sample of the tenanted properties and 50% of the managed properties within that estate. The sample was selected using a random stratified sampling technique which, for the tenanted properties was on the basis of postcode, tenure, agreement and tie type, barrelage and rent and for the managed properties on the basis of postcode, turnover and trade designation. Such a technique produces a sample which we consider to be statistically representative of the Burtonwood estate.

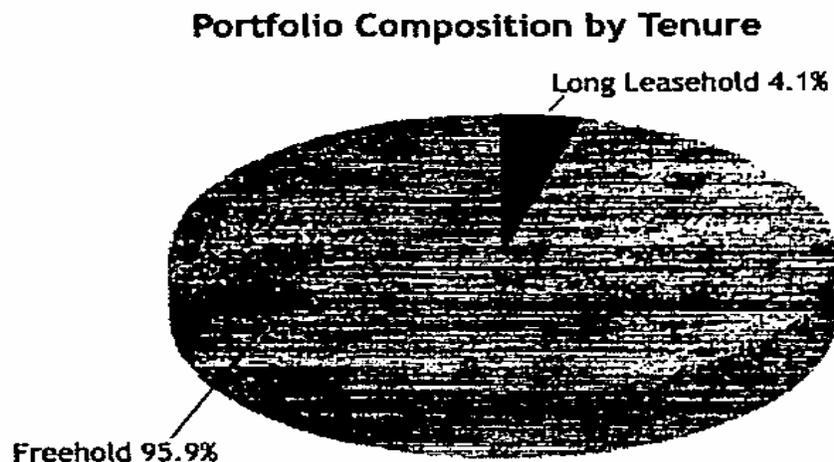
For all other properties we have undertaken desktop reviews of the information provided to us (including digital images).

### **Description of the Portfolio**

The Portfolio comprises 1,592 freehold and long leasehold public houses throughout England and Wales.

The geographical distribution of the Portfolio is illustrated by the maps in Appendix II to this Report and the properties are listed in Appendix III.

The breakdown of the Portfolio by reference to tenure is as follows:



The aggregate rents payable by the Company for the long leasehold properties in the Portfolio is £91,394 per annum and the highest rent for a single property is £18,073 per annum.

In our opinion the Portfolio contains a particularly high proportion of freehold properties compared to the majority of UK pub estates.

The Portfolio comprises 354 properties run under management (the “Managed Estate”) and 1,238 properties which are tenanted or leased (the “Tenanted Estate”).

The characteristics of the Managed and Tenanted Estates are different, although both retail a selection of beers and other products supplied by WDB Brands (the brewing arm of the Company) and Burtonwood.

### **The Managed Estate**

The Managed Estate comprises “core” properties which have been owned by the Company for many years and those which have been acquired as part of the purchase of Mansfield Breweries in 1999 and Burtonwood in 2005. Finally there are a small number of properties which have been acquired individually or developed from greenfield and brownfield sites. The constitution of the Managed Estate is:

“Core” properties (including individual acquisitions)	255	72.0%
“Mansfield” properties	75	21.2%
“Burtonwood” properties	24	6.8%
<b>Total</b>	<b>354</b>	<b>100%</b>

The geographical distribution of the Managed Estate is illustrated in Appendix II.

The Managed Estate has had significant capital investment over many years and is generally in good condition throughout. The Company has an active program of reviewing each property and, where appropriate, has transferred a number of generally smaller properties from the Managed Estate to the Tenanted Estate where such properties are more suited to a tenanted style of operation or could generate a better return on capital within the Tenanted Estate.

The Managed Estate is operated by Pathfinder and comprises a mixture of large “destination” and “community” pubs together with town centre pubs and bars. A minority of the properties in the Managed Estate are operated under a selection of formats whilst the majority are unbranded. Most properties in the Managed Estate generate income from a combination of liquor and food sales with ancillary income including machine income, room hire and in some cases hotel bedrooms.

Within the Managed Estate there are a number of formats which the Company has developed. These include:

#### **Bostin’ Local**

A community based format developed for properties that are larger than average, and which internally present a bright, clean and contemporary customer environment. A wide range of

facilities are provided, including televised sport, together with a straightforward food menu and comprehensive drinks range, both offering “value for money.” On average, food represents approximately 30% of total turnover.

### Service That Suits

Generally found in larger properties in more affluent areas, and having a ‘drive to’ element as part of the target custom base. Service that Suits is aimed towards the informal dining market. The food menu is to a higher specification and has higher prices, and is delivered through a flexible service style, with customers given the choice of table service or ordering and paying at the bar. Food, on average, accounts for approximately 60% of total turnover.

### Financial Performance

In undertaking the Valuation we have reviewed the aggregate trading performance of the properties in the Managed Estate. We have reviewed the various income streams (liquor, food, machines, accommodation etc) and the profits generated, measured by reference to the EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation).

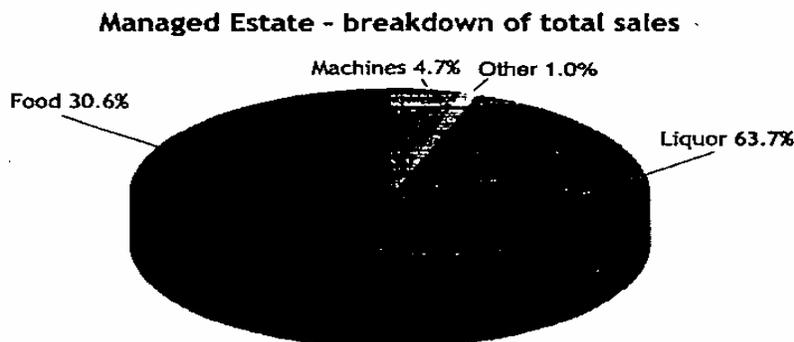
We have been provided with data for the last two financial years (as adjusted where appropriate) and an Adjusted 52 weeks ended 2 April 2005. The unaudited, aggregated financial performance of the 354 properties in the Managed Estate is:

	52 weeks ended 27 September 2003 £m	Adjusted 52 weeks ended 25 September 2004 £m	Adjusted 52 weeks ended 2 April 2005 £m
Turnover	183	192	198
EBITDA*	60	64	65

\*Pub level EBITDA before allocated overheads.

The above summary includes those properties which have been acquired over the last 3 years. A property which was acquired in the 52 weeks ended 27 September 2004 will only make a partial contribution to that period’s data, and a full contribution to the Adjusted 52 weeks ended 2 April 2005. It will not have contributed to the 52 weeks ended 27 September 2003.

The Managed Estate turnover is derived from various income streams. The division of the unaudited aggregated turnover, adjusted for the 52 weeks ended 2 April 2005 for the 354 properties is:



## The Tenanted Estate

The Tenanted Estate is operated by The Union Pub Company (“UPC”) and, in common with the Managed Estate, includes “core” properties which have been owned by the Company for many years, properties which were acquired as part of the Mansfield and Burtonwood transactions and a number of individual acquisitions. The constitution of the Tenanted Estate is:

“Core” properties (including individual acquisitions)	673	54.3%
“Mansfield” properties	200	16.2%
“Burtonwood” properties	365	29.5%
<b>Total</b>	<b>1,238</b>	<b>100%</b>

The geographical distribution of the Tenanted Estate is illustrated in Appendix II.

UPC operate the Tenanted Estate by letting the properties to individual or small multiple operators under a variety of agreements ranging from short term introductory agreements (Square Deal and Square Deal +) to long term full repairing and insuring leases.

All of the agreement types contain a “tie” obliging the tenant to purchase ales, lagers and cider through the Company and to stock certain products. Many agreements also require the tenant to purchase wines, spirits, minerals and bottled products through the Company.

Almost all agreements entitle the Company to a share of the profit from machines (Amusement with Prizes, Skill with Prizes, video, pool etc) in each property.

In undertaking the Valuation we have reviewed the trading information provided to us, specifically the income which the Company earns from property rents, income derived from supplying the properties under the terms of the tie, and machine income.

We have been provided with data for the last two financial years (as adjusted where appropriate) and the Adjusted 52 weeks ended 2 April 2005. The unaudited, aggregated financial trading performance of the 1,238 properties in the Tenanted Estate is:

	<b>52 weeks ended 27 September 2003 £m</b>	<b>Adjusted 52 weeks ended 25 September 2004 £m</b>	<b>Adjusted 52 weeks ended 2 April 2005 £m</b>
Turnover	119	122	125
EBITDA*	61	66	69

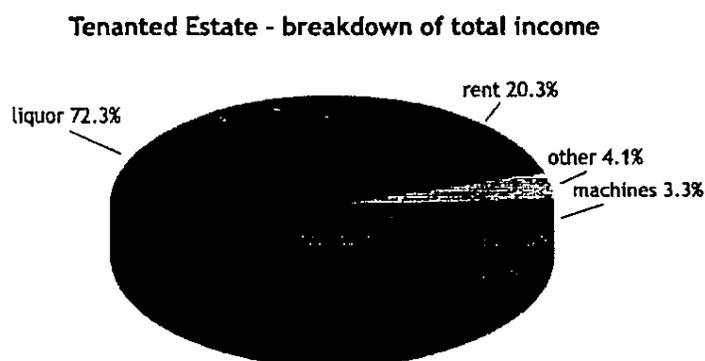
\*Pub level EBITDA before allocated overheads.

The above summary includes a number of properties which have been acquired during the last 3 years or which have been converted from managed to tenancy. For acquisitions the summary reflects the contribution made since acquisition, whilst for conversions the summary includes turnover and EBITDA as managed (until the date of conversion) and tenanted.

The number of managed to tenanted conversions in each year are;

	<b>52 weeks ended 27 September 2003</b>	<b>52 weeks ended 25 September 2004</b>	<b>26 weeks ended 2 April 2005</b>
Number of conversions	85	10	17

In the Tenanted Estate turnover is derived from various income streams. The division of the unaudited, aggregated turnover, adjusted for the 52 weeks ended 2 April 2005, for the 1,238 properties is:



## Market Conditions

In 2004 the public house market continued to display a strong degree of activity at both corporate and individual levels, with a continuation of the confidence demonstrated by investors, operators and funders in previous years.

Within the tenanted sector, Enterprise Inns exercised their option to acquire the remaining 83.2% of Unique Pub Co and Punch Taverns acquired the InnSpired Group Limited, an estate of 1,064 pubs, for £335million. Punch subsequently sold 545 of these pubs to Coinpath (Pubfolio Ltd) for £162.5m.

Activity continued into 2005 with the Company's acquisition of Burtonwood and sales by major pubcos of a number of medium sized packages to companies such as Admiral Taverns.

The managed sector included the sale of Wizard Inns 63 managed pubs to the Company and the £654million acquisition of 432 mainly freehold managed pubs by Greene King from the Laurel Pub Company.

Perhaps the most significant deal in early 2005 was Robert Tchenguiz' R20 acquisition of 364 managed pubs from Spirit for a reported £345m. These pubs are to be converted to tenancies and will be administered by Scottish & Newcastle Pub Enterprises.

In recent years the freehouse market has been characterised by a shortage of good quality businesses being offered for sale, resulting in strong competition for those that were brought to the market, with both individual operators and pub companies/brewers seeking to acquire additional premises.

In the High Street, however, there has continued to be problems with many operators continuing to suffer from a combination of excessive competition, falling trade and higher rents.

The industry is also dealing with a number of external pressures which affect the nature and operation of pubs, particularly changes in licensing, a proposal to ban smoking and the introduction of Alcohol Disorder Zones.

### **Changes in Licensing**

The Introduction of the Licensing Act 2003 is the biggest single reform of liquor licensing in the UK for many years. The responsibility for licensing has moved from the Magistrates Court to the Local Authorities and the Act brings together a number of different aspects of licensing including liquor, entertainments and opening hours. The new system incorporates two types of licence: a personal licence for a qualified individual and a premises licence for the building or venue. The Act has created a large amount of work for licensees who have been required to make complex applications and submit detailed building plans and statements regarding the existing and proposed hours of opening etc.

The complexity of the new licence applications and the unfamiliarity with the system of both licensees and the Local Authorities is making compliance with the transitional timetable look difficult.

### **Smoking ban**

In the recent Queen's Speech the Government set out its intention to introduce the Health Improvement and Protection Bill which will include measures to ban smoking in all public places by 2008. The important exemption from this proposal is to allow smoking to continue in pubs that do not serve food.

Whilst the detailed proposals have not yet been published there is an expectation that a number of pubs will stop serving food in order to focus on their main wet led trade, whilst many others will introduce smoking bans, possibly alongside the creation of external "smoking areas".

### **Alcohol Disorder Zones**

The Government has also announced plans to introduce legislation which will allow the creation of Alcohol Disorder Zones. Pubs within these areas will be required to pay an extra tax to cover the costs of additional policing and clean ups.

### **Valuation Methodology**

In preparing the Valuation we have had regard to evidence from the public house property market and have identified a number of transactions which are comparable to the Portfolio and are therefore relevant to the Valuation.

We have focused on transactions of substantial portfolios and have assessed each by reference to the quality and nature of the properties within it, the levels of turnover and EBITDA and geographical distribution.

The Valuation of the Portfolio as a single entity reflects developments in the licensed market since the Monopolies and Mergers Commission report in 1989 which led to the 1990 “Beer Orders”, and in particular a number of transactions where bids have been in excess of the aggregate of the individual values ascribed to the properties comprising a portfolio. Such bids are at a premium for a number of reasons:

- Conglomerate economies, particularly the ability to negotiate enhanced discounts from suppliers, notably of liquor, which are available to an operator of a portfolio against those available to the operator of a single property.
- Savings in central costs and efficiencies available from having management information systems, training and business development functions.
- Supply and distribution economies.
- Risk reduction, there is less volatility and risk attached to the aggregate income from the many properties within the portfolio level compared with that experienced by individual properties.
- Purchase finance, bids from purchasers of portfolios reflect enhanced financing opportunities through access to international bond and capital markets at borrowing costs lower than those available to the purchasers of individual properties.
- The opportunity to acquire additional management expertise and resource.

In considering the level of premium which can be justified, the following matters will also be taken into account by a potential purchaser.

- The quality of the properties comprising the portfolio.
- The size of the portfolio as measured by trade and number of properties.
- Market position of the portfolio.
- Geographical “fit” with the purchasers’ existing portfolio.

For purchasers who are not existing owners or operators there is the additional benefit of acquiring a major presence in the sector rather than having to assemble a stake over time.

In undertaking the Valuation, we have adopted different methodologies for the Managed and Tenanted Estates.

### **Managed Estate**

The Valuation is based on the unaudited, aggregated financial information, adjusted for the 52 weeks ended 2 April 2005 which, as at the Date of Valuation, would have been the most recent information available to potential purchasers.

We consider that the Managed Estate is mature and includes a number of properties which have been refurbished during the past 12 months and which have not therefore been trading at their optimum for this period. The proportion of such properties is within our expectation of the number of such investment / refurbishment schemes which a prudent owner is likely to be undertaking at any time. In our opinion the level of Fair Maintainable Turnover for the Managed Estate is comparable to the adjusted turnover for the 52 weeks to 2 April 2005.

The Company has a policy of accounting for all insurance costs at Head Office rather than individual property level. In forming our opinion of the Fair Maintainable EBITDA we have therefore deducted an allowance of £3,750 per property. All repairs and maintenance costs are accounted for at pub level and no further adjustment of the EBITDA is therefore necessary.

	<b>Unaudited, Aggregated Financial Information Adjusted for the 52 weeks ended 2 April 2005 £m</b>
Liquor	126
Food	61
Machines	9
Other	2
Total Income	198
Pub Level EBITDA	65
Pub Level EBITDA adjusted for insurance costs before allocated overheads	64

In forming our assessment we have reviewed the volatility of the EBITDA produced by the Managed Estate and separated this EBITDA into three tranches which we have then capitalised at yields which appropriately reflect the risk associated with each tranche of income.

Such a “hardcore and layer” approach recognises the relative security of each tranche of EBITDA by applying successively higher yields to the middle and upper tranches.

We have applied statistical tests to assess the volatility of the different EBITDA income streams (liquor, food, machines and other) and our chosen yield profile reflects the degree of volatility together with the high quality of the Managed Estate, the very high proportion of freehold properties and their geographical distribution.

### **Tenanted Estate**

Based upon the historic and current data we have assessed the fair maintainable levels of the various income streams (rent, wholesale margin, machine share and other income) and EBITDA for the Tenanted Estate.

Our calculations are based on the unaudited, aggregated financial information, adjusted for the 52 weeks ended 2 April 2005 which, as at the Date of Valuation, would have been the most recent information available to potential purchasers.

As with the Managed Estate, the Company have a policy of accounting for all insurance costs at Head Office rather than individual property level and we have therefore deducted an allowance of £500 per property.

	<b>Unaudited Aggregated Financial Information Adjusted for the 52 weeks ended 2 April 2005 £m</b>
Rental Income	25
Wholesale margin	42
Machine Share a other Income	8
Total Margin	75
Pub level EBITDA	69
Pub Level EBITDA adjusted for insurance costs before allocated overheads	68

The Tenanted Estate includes a small number of properties which have, for part of the previous 12 months, been part of the Managed Estate and subsequently converted to tenancy. We have used the unaudited, aggregated financial information for the 52 weeks ended 2 April 2005 to reflect such conversions to arrive at our assessment of the Fair Maintainable Turnover for the Tenanted Estate. Similarly we have used the unaudited, aggregated financial information for the 52 weeks ended 2 April 2005 to arrive at our assessment of the Fair Maintainable EBITDA.

In forming our assessment we have reviewed the volatility of each of the principal income streams; rent, wholesale margin, machines and other income. We have then capitalised the income from each such stream at yields which appropriately reflect the varying levels of risk associated with each.

In our opinion the rental income is the most secure because it is based on fixed term tenancies and leases at contracted rents which are secured by rent deposits.

The wholesale margin is directly related to the volumes of liquor supplied to the properties by the Company (or its nominated suppliers) under the tie within each lease or tenancy, and the level of any discounts which the Company gives to its tenants. The wholesale margin is also dependent on the levels of discount which the Company is able to negotiate with its suppliers (including WDB Brands). We note that the levels of such discounts have been rising for a number of years and given the desire of major brewers to secure ever increasing market shares we believe that the levels of discount will remain at their current levels, or increase, in the medium term.

The Machine share is, in our opinion, the most volatile of the principal income streams, particularly in light of the recommendations of the House of Commons Trade & Industry Select Committee report in December 2004. Consequently we have adopted the highest yield for this income.

We have applied statistical tests to assess the volatility of the different income streams and yields we have selected for each to reflect their relative volatility. The chosen yield profile also reflects the quality of the Tenanted Estate, the very high proportion of freehold properties and the geographical distribution of the properties.

### **Definitions, Conditions and Assumptions of Valuation**

“Christie + Co” means Christie Owen & Davies plc whose registered office is at 2 Crane Court, Fleet Street, London EC4A 2BL.

“The Portfolio” means the 1,592 freehold and long leasehold public houses owned by The Wolverhampton & Dudley Breweries PLC which are to be included in the securitisation pool.

The “Letter of Engagement” means the letter dated 21 June 2005 which is reproduced in Appendix I.

The Valuation has been prepared on the basis of the Definitions, Conditions and Assumptions contained herein, together with the Letter of Engagement whose contents should be read in conjunction with the Valuation.

For the purposes of the Valuation “Long Leasehold” means any property where the Company has a leasehold interest whose unexpired term is at least 40 years.

“Freehold” includes any property where the Company’s interest includes a leasehold interest of any small or insignificant parts which are deemed non essential to the continuing operation of the property as a public house.

We have assumed that all properties in the Portfolio are held under good and marketable titles, free from any encumbrances, restrictions or other outgoings and that all covenants, including leasehold covenants, restrictions and stipulations have been strictly complied with. Where any property is trading in apparent breach of any restrictive covenant, we have assumed that appropriate insurance has been, or could be, obtained to indemnify against any potential enforcement of such covenant.

We have assumed that the properties are free and clear of all mortgages and or other charges which may be secured thereon.

Other than the letting of properties within the Tenanted Estate we have assumed that properties within the Portfolio are not subject to any underlettings or other rights of occupation.

We have assumed that the properties would be unaffected by any matters which might be revealed by any local land charges search, replies to preliminary enquiries or statutory notice and that no properties, nor their condition and use are in any way unlawful.

Other than as revealed by enquiries made by Christie + Co and set out in the Report, Christie + Co have assumed that the properties comply with all statutory and other requirements including (but without limitation) the requirements of the Fire Precautions Act 1971, the Food Safety Act 1990, Town and Country Planning Acts, Building Control Regulations, Licensing Acts, Environmental Health Act, the Control of Asbestos at Work Regulations 2002 and all other relevant legislation. We have not taken into account changes in legislation which are either the subject of current debate, published in Green or White Papers, or draft Bills which yet to pass through all the necessary parliamentary stages before enactment.

We have assumed that all properties are fully compliant with the requirements of the Disability Discrimination Act 1995 and have made no allowance for the cost of any works which may be required to achieve such compliance.

We have assumed that the properties are of sound design and construction, free from any inherent defect or defects. Furthermore, we have assumed that no high alumina cement, concrete, calcium or chloride additive or any other deleterious or potentially deleterious material was used in the construction of any property or has since been incorporated into any property.

For those properties which are new or are to be subject to repair, refurbishment, redevelopment or other building works we have assumed that all works have been, or will be, carried out to a good standard, meeting all relevant statutory and regulatory requirements and that all customary warranties, certificates, guarantees and approvals will be issued on completion of the works, and will be capable of assignment to future owners and occupiers of the property.

We have assumed that no asbestos containing material (ACM) has been identified at any property, or that detailed surveys would not reveal any ACM at any property in a condition which would require remedial works.

We have assumed that detailed surveys of the properties would not reveal any defect or defects which may materially affect their value, and that neither the sites nor adjoining land have been subject to any contaminative or potentially contaminative use.

We have assumed that all services, plant and equipment are adequate for the current and foreseeable use of the properties.

We have assumed that all fixtures and fittings, plant and equipment (other than those items owned by the tenants or lessees in the Tenanted Estate) are owned outright by the Company other than the beer raising and dispensing equipment within each property.

We have excluded the value of stock in trade, glassware, creditors and debtors.

We have assumed that intellectual rights to all brand names, operating names, devices and logos employed within the properties, would pass to any purchaser of the portfolio or constituent parts thereof.

We have assumed that all properties hold and will continue to hold relevant licenses, permits, certificates and consents required for their continued operation.

We have assumed that all properties comply with all relevant planning legislation and that the current use of each property is its lawful permitted use.

We have made no allowance for any liabilities or contingent liabilities which may exist in respect of the Transfer of Undertakings (Protection of Employment) Regulations 1981.

The Valuation excludes any actual or possible tax liabilities including VAT and stamp duty, land tax.

We have specifically excluded any possible higher alternative use value which may exist for individual properties.

We have assumed that all management and information systems employed within the properties are robust, effective and reliable.

Christie + Co have relied upon the Information supplied including (but without limitation) trading information, tenure information, rent and barrellage data, and have assumed that such information is correct and could be substantiated by independent audit if required. Notwithstanding the foregoing Christie + Co can take no responsibility for any mis-statement, omission or misrepresentation made to it.

Any future change in the trading potential or actual level of trade from that indicated by the information and assumptions made available to Christie + Co for the purposes of the Valuation could cause the Valuation to vary.

No allowance has been made for the cost of realising the value of the Portfolio or any properties on the open market to include professional fees, possible tax liabilities and redundancy or any other compensation payments that could be incurred or for the effect of any election made, or which might be made, in connection with VAT.

Whilst we do not consider that the Portfolio is directly at risk from terrorist threats or other exceptional world events the Valuation does not take into account the effect of wholly unforeseen and catastrophic events upon the property market and assumes that the Portfolio is not subject to any abnormal terrorist risk. Should any major world event occur which affects the UK pub sector then the Valuation of the Portfolio could be affected.

## **Valuation**

In accordance with the methodology, conditions and assumptions and other information set out in this Report, we are of the opinion that the Market Value of the Portfolio of 1,592 freehold and long leasehold public houses in their existing use, as at 2 July 2005 is:

**£1,170,000,000**

**(One Billion, One Hundred and Seventy Million Pounds)**

## **Confidentiality and Reliance**

The contents of this Report and Appendices are provided to the addresses as set out on the first page of this Report and to those persons (including Noteholders) who may rely on our Report and Appendices for the specific purpose to which they refer and for their use only in connection with the issue of the Notes and the Offering Circular. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of the contents beyond that owed to the addresses and to those persons (including Noteholders) who may rely on our Report and Appendices.

Before this Report, or any part thereof is reproduced or referred to in any document or circular or statement and before its content or any part thereof are disclosed to any third party, the valuer's written approval must be obtained as to the form and context of such disclosure. Any publication or disclosure must incorporate the conditions and assumptions contained within this Report.

We confirm that we have given our consent for this Report to be reproduced in full in the Offering Circular.

Yours faithfully

On behalf of Christie + Co

**JCA Shorthouse BSc MRICS**

Director

## Appendix I

### Conceptual Framework for Market Value

#### *Conceptual Framework, as published in International Valuation Standard 1*

The term property is used because the focus of these Standards is the valuation of property. Because these Standards encompass financial reporting, the term Asset may be substituted for general application of the definition. Each element of the definition has its own conceptual framework.

#### *‘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, 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.

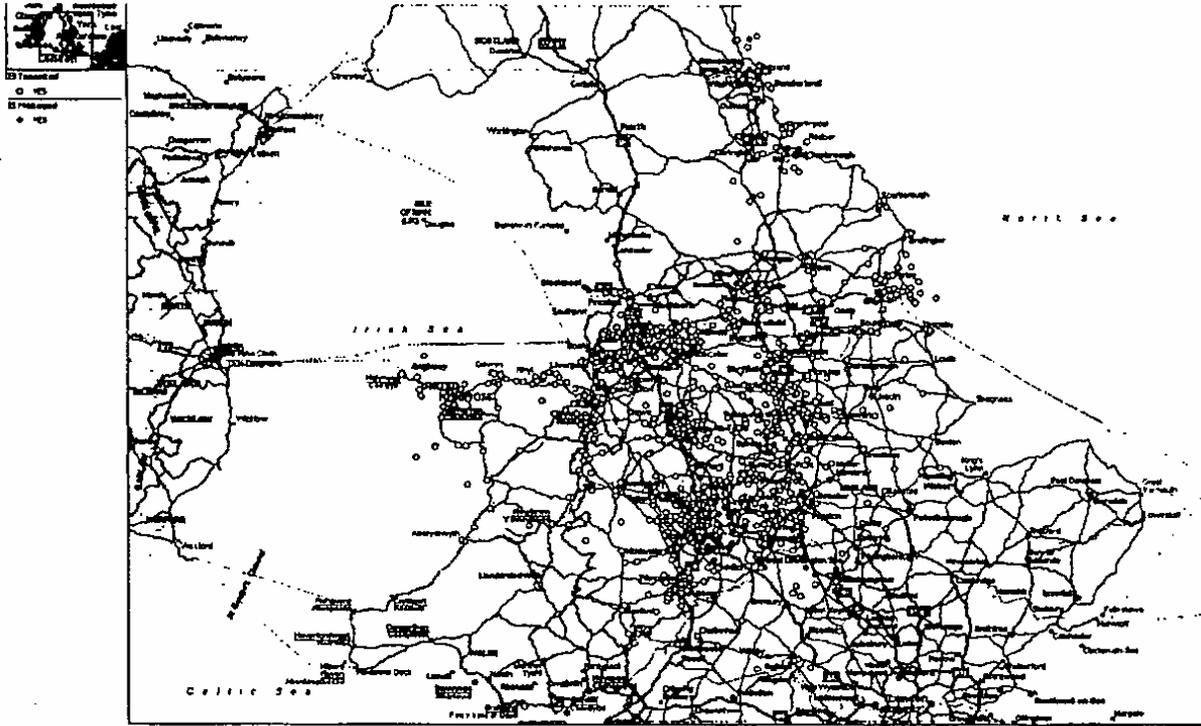
***'... and without compulsion.'***

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.

## Appendix II

### Distribution of the Portfolio



## Appendix III

### Schedule of Properties

#### THE TENANTED ESTATES

Ref	Property	Address			Tenure
8130	Actet	Hestobel Gardens	Bishop Auckland	DL14 6RP	Freehold
2591	Acton Arms	Morville	Bridgnorth	WV16 4RJ	Freehold
16228	Adam & Eve	Market Place	Wragby	LN8 5QU	Freehold
1195	Albert	Smithfield Road	Shrewsbury	SY1 1PB	Freehold
40730	Albert Hotel	62 Spotland Road	Rochdale	OL12 6PQ	Freehold
9629	Albert Hotel	Albert Road	Tamworth	B79 7JS	Freehold
40609	Albert Inn	1 Brindley Street	Newcastle-Under Lyme	ST5 2DA	Freehold
40019	Albert Vaults	32 Stanley Street	Holyhead	LL65 1HL	Freehold
40032	Alblon Inn	160 High Street	Bangor	LL57 1NU	Freehold
2222	Alblon Inn	17 Alblon Street	Rugeley	WS15 2BY	Freehold
15153	Alblon Inn	West Street	St Georges, Oakengates	TF2 9AD	Freehold
40612	Alblon Vaults	12 Castle Foregate	Shrewsbury	SY1 2DJ	Freehold
40162	Alexandra	Speke Road	Garston, Liverpool	L19 2PA	Freehold
40076	Alma Inn	152 - 154 Bradshawgate	Bolton	BL2 1BA	Freehold
15138	Alma Inn	Derby Road	Melbourne	DE73 1FE	Freehold
40272	Almond Tree	Abbeyatead	Digmoor, Skelmerdale	WN8 9LP	Freehold
9769	Alum Ale House	River Drive	South Shields	NE33 1JR	Freehold
90014	Anchor	5 New Street	Burton On Trent	DE14 3QN	Freehold
16062	Anchor	Factory Street	Brampton	S40 28S	Freehold
40613	Anchor Inn	52 Main Road	Nether Broughton, Melton Mowbray	LE14 3HB	Freehold
15199	Anchor Inn	Bollards Lane	Sutton Bonnington	LE12 5PA	Freehold
15227	Anchor Inn	Church Street	Burbage	LE10 2DA	Freehold
2592	Anchor Inn	Digitis Road	Worcester	WR5 3BW	Freehold
91755	Anchor Inn	Mill Street	Clowne	S43 4JN	Freehold
40064	Angel Hotel	16 Warrington Road	Ashton-In-Makerfield, Wigan	WN4 9PL	Freehold
3382	Angel Inn	High Street	Wednesfield	WV11 1ST	Freehold
2593	Angel Inn	Sevenside	Stourport	DY13 9EW	Freehold
15466	Anglers Rest	Main Road	Barnford	S33 0DY	Freehold
90025	Anglesey Arms	Tyn-y-Cae	Caemafon	LL55 1SG	Freehold
16130	Anvil Inn	Portland Street	Mansfield Woodhouse	NG19 8BG	Freehold
16041	Apollo Tavern	Mansfield Road	Sutton In Ashfield	NG17 4HH	Freehold
4152	Ashwood Inn	2 Sandringham Place	Stourbridge	DY6 5HP	Freehold
40102	Avenue	92 Cavendish Road	Leicester	LE2 7PH	Freehold
3912	Bacchus	5 Church Street Wellington	Telford	TF1 1DD	Freehold
15422	Bagot Arms	Abbots Bromley	Rugeley	WS15 3DB	Freehold
40966	Bakers Arms	26 West Road	Buxton	SK17 6HF	Freehold
15440	Bakery Inn	Worcester Road	Malvern Link	WR14 1SS	Freehold
40800	Balcarres Arms	1 Copperas Lane	Aspull, Nr Wigan	WN2 1LB	Freehold
3531	Bald Buck	Greenhill	Lichfield	WS13 6JE	Freehold
4044	Balds Lane Tavern	35 Balds Lane	Stourbridge	DY9 8SG	Freehold
5809	Balloon	Linden Drive	Lutterworth	LE17 4SS	Freehold
91069	Banks Harbour	99 - 103 Beverley Road	Hull	HU5 1LP	Freehold
9635	Barge Inn	Monton	Eccles	M30 8AN	Freehold
3388	Barley Mow	1B Court Street	Madeley	TF7 5EB	Freehold
3621	Barrel & Shive	Market Place	Willenhall	WV13 2AA	Freehold
15302	Barton Turns Inn	Barton under Need wood	Burton Upon Trent	DE13 8EA	Freehold
15562	Bat & Ball	2B High Street	Cuddesdon	OX44 9HJ	Freehold
90040	Bate Hall Hotel	Chestergate	Maoaclesfield	SK11 6BX	Freehold
16262	Bay Horse	Cherry Burton	Beverley	HU17 7RF	Freehold
4517	Bay Horse	High Street	Great Broughton	TS9 7EF	Freehold
40310	Bay Horse	Penlstone Road	Holmfirth, Huddersfield	HD7 1RT	Freehold
3389	Bear	Greengate Street	Stafford	ST16 2HP	Freehold
40099	Bedford Arms	2 Bedford Street	Derby	DE22 3PB	Freehold
3390	Beeches	33 Lythwood Road	Bayston Hill	SY3 0NT	Freehold
15115	Beehive Inn	Honeyw[?]ll	Stoke On Trent	ST4 7HU	Freehold
90050	Bell & Balls	Church Street	St. Georges, Telford	TF2 9LT	Freehold
9776	Bell & Bucket	37 Norfolk Street	North Shields	NE30 1NQ	Freehold
15248	Bell & Harp	Alfreton Road	Little Eaton	DE21 5AE	Freehold
3850	Bell Hotel	Market Street	Stourbridge	DY8 1DW	Freehold
3535	Bell Inn	Bell Lane	Bioxwich	WS3 2NJ	Freehold
40165	Belmont	303 West Derby Road	Liverpool	L6 5EG	Freehold
3392	Belvidere	Crowmere Road	Shrewsbury	SY2 5LA	Freehold

40108	Bennett Arms	233 London Road	Dunkirk, Chesterton	ST5 7PS	Freehold
91665	Bentley Arms	3 Wakefield Road	Leeds	LS26 8EL	Freehold
3723	Berkeley Arms	4 School Road	Worcester	WR2 4HF	Freehold
41002	Best O' Brass	147 Manchester Road	Mossley	OL5 9AB	Freehold
2603	Bird In Hand	147 Hagley Road	Stourbridge	DY8 2JB	Freehold
15206	Bird In Hand	Austrey	Atherstone	CV9 3EG	Freehold
16131	Bird In Hand	Main Street	Bildworth	NG21 0QH	Freehold
4770	Bird In Hand	Market Square	Leek	ST13 5HJ	Freehold
90060	Bird In the Barley	Messingham	Scunthorpe	DN17 3SQ	Freehold
40177	Bishop Blatze	63 Lower Hillgate	Stockport	SK1 3AW	Freehold
6131	Bishops Blatze	Market Place	Richmond	DL10 4QL	Freehold
91567	Black Beauty	Keddington Road	Yaddletorpe	DN17 2QU	Long Leasehold
2606	Black Boy	50 Wyre Hill	Bewdley	DY12 2UE	Freehold
2826	Black Bull	309 High Street West	Sunderland	SR1 3ET	Freehold
2627	Black Bull	Front Street	Bedlington	NE22 5DS	Freehold
8132	Black Bull	Market Place	Thirsk	YO7 1EY	Freehold
40260	Black Bull Hotel	Market Street	Standish, Wigan	WN6 OHW	Freehold
40241	Black Bull Hotel	Old Langho Road	Old Langho, Blackburn	BB6 8AW	Freehold
16024	Black Bull Hotel	Woodhouse Road	Mansfield	NG18 2BQ	Freehold
40304	Black Bull Inn	3 Hill Top	Bolsover, Chesterfield	S44 6NG	Freehold
8133	Black Bush	District 4	Washington	NE38 7HY	Freehold
2421	Black Cock	Green Lane	Walsall Wood	WS9 9BE	Freehold
40945	Black Diamond	172 Elmtou Road	Creswell Worksop	S80 4DY	Freehold
16063	Black Dog	19 Watergate	Grantham	NG31 6NS	Freehold
16111	Black Horse	107 Occupation Road	Undley	HD3 3EQ	Freehold
15194	Black Horse	Appleby Magna	Nr Swadlincote	DE12 7AH	Freehold
3539	Black Horse	Bloxwich Road	Leamore	WS3 2XE	Freehold
15272	Black Horse	Bond Street	Hinckley	LE10 1RJ	Freehold
15361	Black Horse	Burton Road	Coton In The Elms, Burton On Trent	DE12 8HJ	Freehold
15343	Black Horse	Moor Street	Burton Upon Trent	DE14 3SZ	Freehold
15304	Black Horse	Sheepy Magna	Atherstone	CV9 3QR	Freehold
15350	Black Horse	Stanton Road	Burton On Trent	DE15 9SG	Freehold
3913	Black Lion	Llanbadam Fawr	Aberystwyth	SY23 3RA	Freehold
15069	Black Lion	Mold Road	Buckley	CH7 2JA	Freehold
8948	Black Lion	North Street	Scarborough	YO11 1DF	Freehold
15475	Black Lion	Scotland Street	Ellesmere	SY12 0EG	Freehold
16265	Black Prince	Parkway	Cottingham	HU16 5DG	Freehold
16266	Black Swan	Brandesburton	Driffield	YO25 8RG	Freehold
41031	Black Swan	Main Street	Wetwang, Driffield	YO25 9XJ	Freehold
16246	Black Swan	Silver Street	Wakefield	WF1 1UY	Freehold
40153	Blacks Head	16 North Street	Stoke On Trent	ST4 7DH	Freehold
8134	Blacksmiths	Stranton	Hartlepool	TS24 7QT	Freehold
90090	Blacksmiths Arms	1 Chapel Street, Top Town	Barwell	LE9 8DD	Freehold
40118	Blacksmiths Arms	39 Shawe Park Road	Kingsley Holt, Stoke On Trent	ST10 2DJ	Freehold
40900	Blacksmiths Arms	79 High Street	Holme On Spalding Moor, Nr York	YO43 4AA	Freehold
16267	Blacksmiths Arms	Coniston	Nr Hull	HU11 4JR	Freehold
16034	Blacksmiths Arms	Main Street	Nayburn	YO19 4PN	Freehold
15152	Blacksmiths Arms	Meeting Street	Quorn	LE12 8EU	Freehold
16268	Blacksmiths Arms	Preston	Hull	HU12 8UB	Freehold
91062	Blenheim Inn	Main Street	Etwall	DE65 6LP	Freehold
6819	Block & Chopper	1 Norton Hood	Pelsall	WS3 4AY	Freehold
40091	Blue Anchor	153 Mold Road	Buckley	CH7 2NH	Freehold
4049	Blue Bell	35 Upton Road	Callow End	WR2 4TY	Freehold
2607	Blue Bell	423 Hurcott Road	Kidderminster	DY10 2QQ	Freehold
16133	Blue Bell	57 High Street	Bolsover	S44 6HF	Freehold
16310	Blue Bell	Hatfield	Doncaster	DN7 6SA	Freehold
15252	Blue Bell	The Callis	Ashby De La Zouch	LE65 2JG	Freehold
9570	Blue Bell	Victoria Square	Felling	NE10 9LX	Freehold
16269	Blue Bell	West Green	Cottingham	HU16 4BH	Freehold
15351	Blue Lion	Rearsby Road	Thrussington	LE7 4UD	Freehold
15099	Blue Pig	Capwell Road Trench	Telford	TF2 6QQ	Freehold
40305	Board Inn	Back Street	Skipsea, Driffield	YO25 8SW	Freehold
40017	Boars Head	4 Clwyd Street	Ruthin	LL15 1HW	Freehold
40009	Boars Head Hotel	Village Road	Northop Hall, Mold	CH7 6HS	Freehold
40251	Boars Head Hotel	Wigan Road	Standish, Wigan	WN6 OAD	Freehold
4052	Boat & Railway	Shaw Lane	Bromsgrove	B60 4EQ	Freehold
3914	Boat Inn	209 Jackfield	Ironbridge	TF8 7LS	Freehold
40614	Boat Inn	57 Burton Street	Melton Mowbray	LE13 1AF	Freehold
15285	Boat Inn	Basford Bridge	Leek	ST13 7EQ	Freehold
90101	Boat Inn	Meadow Lane	Loughborough	LE11 1JY	Freehold
15095	Boat Inn	Wharf Road	Gnosall, Stafford	ST20 0DA	Freehold

40021	Bold Arms	6 Church Street	Beumarls	LL58 8AA	Freehold
40049	Bold Hotel	161 Pool stock Lane	Worsloy Mesnes, Wigan	WN3 5HL	Freehold
1087	Boldmere Oak	333-335 Boldmere Road	Sutton Coldfield	B73 5HQ	Freehold
16270	Bonny Boat	Trinity House Lane	Hull	HU1 2JA	Freehold
16064	Boot & Shoe	North Wingfield Road	Grassmoor	S42 5EU	Freehold
16134	Boot & Slipper	The Green	Swanwick	DE55 1BL	Freehold
90103	Bootlegger	30 - 34 High Street	Cleethorpes	DN35 BJN	Freehold
40899	Borough Arms	120 Buttermarket Street	Warrington	WA1 2N2	Freehold
40615	Boston Arms	1 London Road	Holyhead	LL65 2NE	Freehold
16135	Bowl in Hand	Leeming Street	Mansfield	NG18 1NB	Freehold
40168	Bowling Green	138-140 Blackburn Road	Botton	BL1 8DR	Freehold
4053	Bowling Green	Shaw Lane	Bromsgrove	B60 4BH	Freehold
4142	Boycott Arms	Upper Ludstone	Claverley	WV5 7DH	Freehold
15546	Bradford Arms	Knockin	Oswestry	SY10 8HJ	Freehold
15507	Brewery Inn	Bye Street	Ledbury	HR8 2AG	Freehold
3851	Briars Hotel	90 Habbertey Road	Kidderminster	DY11 5PN	Freehold
40617	Brick And Tile	1 Brick Street	Derby	DE1 1DU	Freehold
15075	Bridge Inn	Audlem	Crewe	CW3 0DX	Freehold
40618	Bridge Inn	Bargate Street	High Green, Brewood	ST19 9BD	Freehold
40833	Bridge Inn	Hawarden Road	Caergwrle, Wrexham	LL12 9DT	Freehold
9725	Bridge Inn	Lowesmoor Terrace	Lowesmoor	WR1 2RX	Freehold
40234	Bridge Inn	Phipps Lane	Burtonwood, Warrington	WA5 4HD	Freehold
2625	Bridge Inn	Plough Road	Tibberton	WR9 7NQ	Freehold
41000	Bridge Inn	Rose Hill Street	Conwy	LL32 8LD	Freehold
15311	Bridge Inn	Tatenhill Lane	Branston, Burton On Trent	DE14 3EZ	Freehold
91681	Bridge Inn	Telford Road	Menal Bridge	LL59 5DT	Freehold
40084	Bridge Tavern	6 - 8 Blackburn Street	Raddiffe, Manchester	M26 1WW	Freehold
16042	Bridge Tavern	Bridge Street	Mansfield	NG18 1AL	Freehold
91513	Bridges Hold	Sutton Road	Hull	HU7 0AH	Freehold
40155	Britannia Inn	260 Hurdsfield Road	Macclesfield	SK10 2PN	Freehold
40619	Britannia Inn	30/32 St Thomas Street	Holyhead	LL65 1RR	Freehold
3397	Britannia Inn	Aqueduct Road, Madeley	Telford	TF3 1BX	Freehold
15382	Britannia Inn	West Street	Leek	ST13 8AA	Freehold
40298	Britannia Inn	Wrawby Street	Brigg	DN20 8BS	Freehold
3734	Broad Leys	Ross Road	Hereford	HR2 7RP	Freehold
40299	Brocklesby Ox	Bridge Street	Brigg	DN20 8NN	Freehold
40097	Brockmoor House	High Street	Brierley Hill, Dudley	DY5 3HX	Freehold
2434	Brook	Woodseton	Dudley	DY3 1AD	Freehold
15497	Brook Inn	Elcocks Brooke	Redditch	B97 5UD	Freehold
3548	Brook Meadow	Shard End	Birmingham	B34 6TW	Freehold
40620	Brookside	35 Brookside	Barkby, Leicester	LE7 3QD	Freehold
16136	Brown Cow	Ratcliffe Gale	Manfield	NG18 2JA	Freehold
40237	Brown Edge Hotel	299 - 301 Nutgrove Road	Thatto Heath, St Helens	WA9 5JR	Freehold
40621	Brunswick Bar	69a Tithebarn Street	Liverpool	L2 2EN	Freehold
40044	Brunswick Hotel	19 Bridge Street	Heywood	OL10 1JB	Freehold
40065	Bryn Hall Hotel	612 Botton Raad	Bamfurlong, Wigan	WN2 5JZ	Freehold
585	Buck	High Street	Newtown	SY16 2NP	Freehold
8137	Buck	Sadberge	Darlington	DL2 1RR	Freehold
16271	Buckingham Club	28/30 Brecon Street	Hull	HUB 8TN	Freehold
16272	Buffers	Rakehill Road	Scholes	LS15 4AL	Freehold
2638	Bugle	Meresyde, Leam Lane Estate	Galeshead	NE10 8UP	Freehold
16177	Bugle Horn	Lincoln Road	Bassingham	LN5 9HQ	Freehold
90127	Builders Arms	Mobberley Road	Knutsford	WA16 8EQ	Freehold
3549	Builders Arms	Wisemore	Walsall	WS2 8EX	Freehold
15395	Bull & Lion	Packington	Leicester	LE65 1WH	Freehold
15437	Bull Hotel	14 The Bu[?]ring	Ludlow	SY8 1AD	Freehold
9254	Bull Inn	152 Droitwich Road	Fe[?]hill Heath	WR3 8RS	Freehold
90134	Bull Inn	Butcher Row	Shrewsbury	SY1 1UW	Freehold
3550	Bull Terrier	Cradley Heath	Warley	B64 7EB	Freehold
40622	Bulls Head	1 Woodville Road	Hartshome, Swadlincote	DE11 7ET	Freehold
5410	Bulls Head	Castle Gates	Shrewsbury	SY1 2AD	Freehold
3738	Bulls Head	Cookley	Kidderminster	DY10 3SA	Freehold
15130	Bulls Head	Forest Road	Markfield	LE67 9UN	Freehold
15378	Bulls Head	Marchington	Uttoxeter	ST14 8LB	Freehold
15342	Bulls Head	Two Gates	Tamworth	B77 1HW	Freehold
15344	Bulls Head	Youlgreave	Bakewell	DE45 1UR	Freehold
40623	Bush Hotel	216 Belle Green Lane	Higher Ince, Wigan	WN2 2ET	Long Leasehold
3552	Bush Inn	Dixons Green	Dudley	DY2 8ED	Freehold
40624	Butchers Arms	18 Church Street	Audley, Stoke On Trent	ST7 8DE	Freehold
40124	Butchers Arms	Chester Road	Rossett, Wrexham	LL12 OHW	Freehold
8138	Butchers Arms	Middle Chare	Chester Le Street	DH3 3QD	Freehold
3740	California	Rowley Regis	Warley	B65 OHG	Freehold

15001	Cambrian Vaults	Town Hill	Wrexham	LL13 8NA	Freehold
16137	Cardinal	2 Newark Road	Sutton In Ashfield	NG17 5JP	Freehold
40169	Carlton Tavern	31 Camp Street	Salford	M7 1LG	Freehold
15218	Carpenters Arms	29 Chandos Street	Leamington Spa	CV32 4RN	Freehold
40208	Carrion Crow	271 Huddersfield Road	Oldham	OL4 2RJ	Long Leasehold
16000	Cart & Horse	Sutton Road	Sutton In Ashfield	NG17 5HE	Freehold
91676	Cary's	Workhouse Yard, Dig Street	Ashbourne	DE6 1GF	Freehold
3554	Castle	253 Castle Street	Dudley	DY1 1LQ	Freehold
16138	Castle Arms	Station Road	Bolsover	S44 6BH	Freehold
40008	Castle Inn	Brook Road	Shotton	CH5 1HL	Freehold
15044	Castle Inn	Castle Street	Rhuddlan	LL18 5AE	Freehold
90158	Castle Vaults	46 Broad Street	Newtown	SY16 2AU	Freehold
40625	Catchems Corner	1161 Uttoxeter Road	Meir, Stoke On Trent	ST3 6HH	Freehold
15297	Cattle Market	Fountain Street	Leek	ST13 6JR	Freehold
8128	Causeway	Stranton	Hartlepool	TS24 7QT	Freehold
40865	Cavendish Arms	Sandy Lane	Brindle, Chorley	PR6 8NG	Freehold
16139	Cavendish Hotel	Market Place	Bolsover	S44 8PH	Freehold
2246	Chadwick Arms	Uttoxeter Road	Hill Ridware	WS15 3QX	Freehold
91686	Chambers	57 Bridge Street	Morpeth	NE61 1PQ	Freehold
3404	Charles Darwin	Sutton Road	Shrewsbury	SY2 6HN	Freehold
15529	Charltons	46 New street	Worcester	WR1 2DL	Freehold
91758	Chase Inn	Bishops Frome	Worcester	WR6 5BP	Freehold
40038	Chat Moss Hotel	207 Warrington Road	Glazebury, Warrington	WA3 5LL	Freehold
4329	Cheshire Line	Cheadle	Stockport	SK8 2NZ	Freehold
15321	Cheshire View	Station Road	Mow Cop Stoke On Trent	ST7 3NP	Freehold
40626	Chester Inn	9 Millbank Road	Holyhead	LL65 1TE	Freehold
40114	Cholmondeley Arms	12 Church Street	Frodsham, Nr Warrington	WA6 7EB	Freehold
40171	Church Inn	80 George Street	Famworth, Bolton	BL4 9RJ	Freehold
3555	Churchfield Tavern	Little Lane	West Bromwich	B71 4HR	Freehold
8139	City Tavern	32 Bridge Street	Sunderland	SR1 1TQ	Freehold
91687	Clanfield Tavern	Bampton Road	Clanfield	OX18 2RG	Freehold
41032	Clothiers Arms	2 St Helens Street	Elsecar, Bamsley	S47 8DE	Freehold
7118	Clough Hall	Kidsgrove	Stoke On Trent	ST7 1AN	Freehold
40627	Clowes Arms	29 Portsmouth Road	Belgrave, Leicester	LE4 5DJ	Freehold
15102	Coach & Horses	Horsley	Derby	DE21 5BQ	Freehold
3918	Coach & Horses	Long Street	Wheaton Aston	ST19 9NP	Freehold
3748	Cock & Magple	1 Sevenside North	Bewdley	DY12 2EE	Freehold
16069	Cock & Magple	Church Street	Old Whittington	S41 9QW	Freehold
15391	Cocked Hat	Worksop Road	Attercliffe	S9 3TG	Freehold
91635	College	138 Northgate	Wakefield	WF1 3QT	Freehold
40059	Colliers Arms	192 Wigan Road	New Springs, Wigan	WN2 1DU	Freehold
40066	Commercial Inn	21 Heath Road	Ashton In Makerfield, Wigan	WN4 8DY	Freehold
40058	Concert Inn	3 Bolton Road	Atherton, Manchester	M46 9JQ	Freehold
90182	Coniston Tavern	St. Nicholas Park Estate	Nuneaton	CV11 6JT	Freehold
16275	Constable Arms	Sproatley	Hull	HU11 4PA	Freehold
15353	Coopers Arms	95 Anglesey Rd.	Burton On Trent	DE14 3PE	Freehold
16336	Copper Beach	Kil[?]ington Road	Bilsthorpe	NG22 8SS	Freehold
16325	Corner House	Burton Stone Lane	York	YO30 6DG	Freehold
40629	Corner Pin	1 Bambury Street	Longton, Stoke On Trent	ST3 5DB	Freehold
40158	Cotton Tree	Prince Street	Bolton	BL1 2NP	Long Leasehold
15388	County [?] Station Hotel	Date Road	Matlock Bath	DE4 3NT	Freehold
2651	Cricketers Arms	28 Lorne Street	Kidderminster	DY10 1SY	Freehold
40632	Cricketers Arms	48 Deanhouse	Holmfirth, Huddersfield	HD9 3UG	Freehold
8141	Cricketers Arms	50 Galgate	Barnard Castle	DL12 8BH	Freehold
16225	Crispin	Church Street	Ashover	S45 0AB	Freehold
16277	Criterion	222 Hesse Road	Hull	HU3 3DB	Freehold
40175	Crompton Road Tavern	53 Crompton Road	Macclesfield	SK11 8DS	Long Leasehold
40633	Crooked Billet	Pitt Lane	Ryehill, Hull	HU12 8NN	Freehold
3934	Crooked House (Glyne Arms)	Himley	Dudley	DY3 4DA	Freehold
40634	Crass Foxes	Pen-Y-Cae	Wrexham	LL14 2SA	Freehold
15534	Cross Foxes Inn	Gobowen	Oswestry	SY11 3JR	Freehold
40125	Cross Foxes Inn	High Street	Pentre Broughton, Wrexham	LL11 6AW	Freehold
15058	Cross Foxes Inn	Overton Bridge	Erbilstock	LL13 0DR	Freehold
40041	Cross Galtes Inn	Beverley Road	Blacko, Nr Nelson	BB9 6RF	Freehold
15490	Cross Guns	Rockwell Lane	Pant Oswestry	SY10 9QR	Freehold
90203	Cross Keys	Burbage	Nr. Hincley	LE10 2AF	Freehold
15014	Cross Keys	Llanrwyst Road	Glan Conway	LL28 5SS	Freehold
40635	Cross Keys	Penrhynsido	Llandudno	LL30 3DD	Freehold
40067	Cross Keys Hotel	76 Golbome Road	Ashton In Makerfield, Wigan	WN4 8XA	Freehold
40144	Cross Keys Inn	Australia Street	Ponclau, Wrexham	LU14 1ED	Freehold
40001	Cross Keys Inn	High Street	Dyserth, Rhyl	LL18 6AA	Freehold

5543	Cross Tree	Byfield	Daventry	NN11 8XJ	Freehold
91636	Crossroads Inn	New Mill	Huddersfield	HD9 7JL	Freehold
4065	Crow Hotel	Teme Street	Tenbury Wells	WR15 8BA	Freehold
40636	Crown	28 Princess Street	Castle Gresley	DE11 9JZ	Freehold
41027	Crown	35 High Street	Caergwrlle, Wrexham	LL12 1ED	Freehold
4125	Crown	Cheapside	Willenhall	WV13 1PQ	Freehold
15127	Crown	Queen Street	Market Drayton	TF9 1BJ	Freehold
40637	Crown	Rosliston Road	Stapenhill, Burton-On-Trent	DE15 9RF	Freehold
3412	Crown	Sedgley	Dudley	DY3 2RJ	Freehold
40638	Crown	Talke Road	Newcastle Under Lyme	ST5 7AH	Freehold
91698	Crown	Winslow Road	Granborough	MK18 3NJ	Freehold
15485	Crown & Anchor	Hylton Road	Worcester	WR2 5LA	Freehold
16278	Crown & Anchor	Weel Road	Tickton	HU17 9RY	Freehold
8143	Crown & Cannon	Winlaton	Blaydon	NE21 6AD	Freehold
8144	Crown & Mitre	22 James Street	North Ormesby	TS3 8LB	Freehold
16035	Crown & Plough	Long Clawson	Melton Mowbray	LE14 4NG	Freehold
40060	Crown Hotel	106 Wigan Road	New Springs, Wigan	WN2 1DP	Freehold
40130	Crown Hotel	7 Hall Street	Welshpool	SY21 7RY	Freehold
16110	Crown Hotel	High Street	T[?]shelf	DE55 5NY	Freehold
16070	Crown Hotel	Market Place	Southwell	NG25 0HE	Freehold
90213	Crown Inn	111 Main Road	Goostrey	CW4 8PE	Freehold
40639	Crown Inn	67 Chapel Street	Butt Lane, Stoke On Trent	ST7 1NN	Freehold
16113	Crown Inn	Bathley	Newark	NG23 6DA	Freehold
40022	Crown Inn	Bodorgan Square	Aberffraw	LL63 5BX	Freehold
40023	Crown Inn	Church Street	Bodedem, Holyhead	LL65 3TU	Freehold
15198	Crown Inn	Church Street	Applby Magna, Nr Swad[?]intoe	DE12 7BB	Freehold
2258	Crown Inn	Claverley	Wolverhampton	WV5 7DU	Freehold
40640	Crown Inn	High Street	Flynnongroew	CH8 9SW	Freehold
15416	Crown Inn	Main Street	Yoxall, Burton On Trent	DE13 8NQ	Freehold
2659	Crown Inn	Martley	Worcester	WR6 6PA	Freehold
3566	Crown Inn	Sims Lane	Netherton	DY2 0PQ	Freehold
16180	Crown Inn	Sletmore Lane	Somercotes	DE55 1RE	Freehold
40919	Cuckoo Birch	Jubilee Way South	Mansfield	NG18 3RT	Long Leasehold
16280	Dairycoates	580 Hessele Road	Hull	HU3 5JA	Freehold
15112	Daisyfield Inn	14 Keb Lane	Bardsley, Oldham	OL8 2TE	Freehold
16002	Deamesman	Barnsley Road	Wath On Deame	S63 6DQ	Freehold
15323	Derby Inn	17 Derby Road	Burton Upon Trent	DE14 1RU	Freehold
91570	Devonshire Arms	Sutton In Ashfield	Nottingham	NG17 1BT	Freehold
16142	Devonshire Arms	Upper Langwith	Mansfield	NG20 9RF	Freehold
16044	Dial	Market Place	Mansfield	NG18 1HX	Freehold
8983	Dick Turpin	Woodthorpe Estate	Dringhouses	YO24 2RQ	Freehold
40024	Dinam Arms	Station Road	Gaerwen, Anglesey	LL60 6DP	Freehold
4067	Dock & Iron	The Delph	Brierley Hill	DY5 2TR	Freehold
16282	Dog & Duck	Walkington	North Humberstone	HU17 8SX	Freehold
15358	Dog & Gun	9 Cross Street	Enderby	LE9 5NJ	Freehold
15251	Dog & Gun	Keats Lane	Earl Shilton	LE9 7DR	Freehold
15254	Dog & Gun	Mansion Street	Hinckley	LE10 0AU	Freehold
40253	Dog & Gun Inn	Long Lane	Aughton, Ormskirk	L39 5BU	Freehold
2664	Dog & Partridge	136 High Street	Br[?]erley Hill	DY5 2BP	Freehold
3415	Dog & Partridge	47 Broad Street	Bilston	WV14 0BU	Freehold
40641	Dog & Partridge	49/51 Bedford Street	Derby	DE22 3PB	Freehold
3416	Dog & Partridge	Wednesfield	Wolverhampton	WV11 1SZ	Freehold
40642	Dog & Pheasant	20 Severn Street	Shrewsbury	SY1 2JA	Freehold
15223	Dog & Pheasant Inn	528 Oldham Road	Waterloo	OL7 9PQ	Freehold
40288	Dover Castle	1 High[?]ere Avenue	Hightown, Salford	M7 4ZJ	Freehold
40092	Dover Castle	34 Dover Street	Leicester	LE1 6PT	Freehold
16283	Downe Arms	15 Market Place	Snaith	DN14 9HE	Freehold
3926	Downles Vaults	Eastgate Street	Aberystwyth	SY23 2AR	Freehold
16236	Drake	Bodmin Road	Bransholme	HU7 4HF	Long Leasehold
40010	Druid Inn	Ruthin Road	Llanferres, Mold	CH7 5SN	Freehold
16247	Drum & Cymbals	Sibelius Road	Rokeby Park	HU4 7NH	Long Leasehold
15222	Drum & Monkey	Castle Gresley	Burton Upon Trent	DE11 9LH	Freehold
8695	Duchess	Hovingham Drive	Scarborough	YO12 5DT	Freehold
40286	Ducie Arms	52 Devas Street	Greenheys, Manchester	M15 6HS	Freehold
40186	Duck	Digmoor Parade	Digmoor, Skelmorsdale	WN8 9HR	Freehold
40643	Duke Of Bridgewater	2 Wistaston Road	Crewe	CW2 7RA	Freehold
16248	Duke of Cumberland	Market Green	Cottingham	HU16 5QG	Freehold
16143	Duke of Wellington	Church Street	Kirkby In Ashfield	NG17 8LA	Freehold
15493	Duke of Wellington	Duke Street	Ruabon	LL14 6DE	Freehold
15337	Duke of York	Victoria Street	Burton On Trent	DE14 2LP	Freehold
16036	Duke William	Starkholmes	Matlock	DE4 3BZ	Freehold
4058	Duke William	The Rock	Bewdley	DY14 9XH	Freehold

40146	Dun Cow	Duke Street	Wellington, Telford	TF1 1BJ	Freehold
3420	Dun Cow	Trench Road	Trench	TF2 7DU	Freehold
3421	Dunham Arms	Chester Road	Dunham On The Hill	WA6 0LN	Freehold
40644	Dunkirk Tavern	Silvendale	Dunkirk, Newcastle Under Lyme	ST5 2SN	Freehold
16072	Dunston Inn	Dunston Lane	Newbold	S41 8HA	Long Leasehold
2287	Durham Heifer	Nantwich Road	Broxton	CH3 9JH	Freehold
40646	Dwygyfylchi Hotel	Conwy Old Road	Dwygyfylchi, Penmaenmawr	LL34 6SP	Freehold
5642	Eagle	Antaby Road	Kingston Upon Hull	HU3 2SA	Freehold
9529	Eagle Vaults	2 Friar Street	Worcester	WR1 2LZ	Freehold
15496	Eagles Inn	Bailey Head	Oswestry	SY11 1PZ	Freehold
15325	Earl Clarendon	Warwick Road	Ken[?]worth	CV8 1HY	Freehold
90251	Earl of Lichfield	Conduit Street	Llchfield	WS13 6JR	Freehold
91688	Eastwood Tavern	37 - 39 Bradfond Tavern	Keighley	BD21 4BW	Freehold
41019	Edward VII	Nunnery Lane	York	YO23 1AH	Freehold
41013	Effingham Arms	292 Wortley Road	Bradgate, Rotherham	S61 1JR	Freehold
40056	Ellesmere Inn	32 Lancaster Road	Hindley, Wigan	WN2 3NJ	Long Leasehold
16144	Elm Tree Inn	Chesterfield Road	Heath	S44 5SE	Freehold
16074	Elm Tree Inn	High Street	Staveley	S43 3UU	Freehold
40247	Euxton Mills Hold	Wigan Road	Euxton, Chorley	PR7 6JD	Freehold
16182	Exchange	Church Street	Holbeach	PE12 7LL	Freehold
3423	Exchange Vaults	Exchange Street	Wolverhampton	WV1 1TS	Freehold
90259	Exeter	Exeter Place	Derby	DE1 2EU	Freehold
15446	Express Inn	Quest Hills	Malvem Link	WR14 1RN	Freehold
16075	Eyre Arms	Chesterfield Road	Calver	S32 3XH	Freehold
15024	Fairfield Tavern	Erddig Road	Wrexham	LL13 7DW	Freehold
15274	Fairview Inn	Abergele Road	Llandulas, Abergele	LL22 8HH	Freehold
16330	Fairway	59 Warmesworth Road	Balby	DN4 0RP	Freehold
8146	Falchion	8 Blackwellgate	Darlington	DL1 5HL	Freehold
15204	Falcon Hotel	The square	Woore, Crewe	CW3 9SS	Freehold
16257	Falconers Rest	Thorpe Lane	Middleton	LS10 4EP	Freehold
40011	Farmers Arms	Ffordd-y-L[?]an	Tref[?]ddyn, Mold	CH7 4LN	Freehold
2269	[?]hers	Mollneux Street	Wolverhampton	WV1 1RY	Freehold
3571	Fiddlers Arms	16 Straits Road	Lower Gomal	DY3 2UT	Freehold
15202	Fir Tree Inn	Fir Tree Lane	Arley, Coventry	CV7 8GW	Freehold
3993	Fish Inn	190 Commonside	Pensnett	DY5 4AA	Freehold
40266	Fishergate Inn	52 Orrell Road	Orrell, Wigan	WN5 8HD	Freehold
15036	Fishermans Rest Inn	Broadholme	Belper	DE56 2JF	Freehold
40107	Five Crosses	Ruthin Road, Mineri	Coedpoeth, Wrexham	LL11 3RD	Freehold
3572	Five Ways	Cradley Heath	Warley	B64 5HE	Freehold
90165	Flag	Nateby	Nr. Garstang, Preston	PR3 0AJ	Freehold
40898	Fleece	The Village, Holme	Holmfirth, Huddersfield	HD7 2QG	Freehold
2549	Fleece	Westgate	Elland	HX5 0BB	Freehold
16327	Florence Nightigale	123 Beckett Street	Leeds	LS9 7JX	Freehold
16238	Flower Pot	379 Stavley Pot	Bilton Grange Estate	HU9 4BX	Long Leasehold
3575	Flowerpot	Spon Lane	West Bromwich	B70 6AS	Freehold
15300	Flying Horse	130 Ashboume Road	Leek	ST13 5BJ	Freehold
40647	Foaming Quart	5 Frobisher Street	Norton Green, Stoke On Trent	ST6 8PD	Freehold
3928	Folley Inn	Stableford	Bridgnorth	WV15 5LR	Freehold
16146	Forest Tavern	Forest Road	Skegby	NG17 3BB	Freehold
18145	Forest Tavern	Skegby Road	Annesley Woodhouse	NG17 9JD	Freehold
15386	Foresters Arms	Ba[?]jards Green	Malvern	WR14 3RL	Freehold
16384	Foresters Arms	Backside	Bevertey	HU17 0PR	Freehold
15441	Foresters Arms	Wood Lane	Yoxall	DE13 8PG	Freehold
3576	Forge 4 Fettle	Fleck Road	Walsall	WS2 9EY	Freehold
40648	Forresters Arms	Ford Green Road	Smallthome, Stoke On Trent	ST6 INT	Freehold
40176	Founders Arms	18 St Georges Street	Bolton	BL1 2EN	Freehold
4069	Fountain Inn	Clent	Stourbridge	DY9 9PU	Freehold
15164	Fountain Inn	Main Street	Swannington	LE57 8QL	Freehold
3578	Four Crosses	Upper Green Lane	Leamore	WS3 2EQ	Freehold
3430	Four Crosses Inn	Four Crosses	Cannock	WS11 1RX	Freehold
3579	Four Horseshoes	Wellington Street	Pleck, Walsall	WS2 9QR	Freehold
15283	Fox & Dogs	Little Warton	Tamworth	B79 0HT	Freehold
9662	Fox & Elm	Tuffley	Gloucester	GL4 0DA	Freehold
3756	Fox & Goose	Bromley Lane	Kingswinford	DY6 8QE	Freehold
40248	Fox & Grapes	66 Chapel Street	Chorley	PH7 1BS	Freehold
16183	Fox & Hounds	1 Pinfold Lane	Oakham	LE15 8LE	Freehold
40297	Fox & Hounds	37 Main Road	Marsh Lane, Eckington	S21 5RH	Freehold
2675	Fox Inn	Lye	Slourbridge	DY9 7EW	Freehold
9154	Fox Inn	Shipley	Wolverhampton	WV6 7EH	Freehold
15384	Freehold Tavern	Bralby Road	Newhall, Burton On Trent	DE11 0LH	Freehold
2678	Freemasons	Hill End	Droltwich	WR9 8LR	Freehold
91684	Friar Tuck (Wise Owl)	Otley Old Road	Leeds	LS16 6HP	Freehold

4789	Frog 4 Ferret	4 Oatmarket	Nantwich	CW5 5AL	Freehold
3583	Frying Pan	Bilston Street	Dartaston	WS10 8EY	Freehold
16285	Full Measure	16 Mill Street	Driffield	YO25 6TN	Freehold
15057	Galley	Vale Road	Rhyl	LL18 2PD	Freehold
40033	Garddfon Inn	Beach Road	Port Dinorwic	LL56 4RQ	Freehold
40649	Gardeners Arms	Brown Lees Road	Brown Lees, Stoke On Trent	ST8 6PH	Freehold
91592	Gardeners Arms	Gluman Gate	Chesterfield	S40 1TX	Freehold
4071	Gardeners Arma	Vines Lane	Droltwich	WR9 8LU	Freehold
15212	Gardeners Retreat	Boothen	Stoke On Trent	ST4 4BJ	Freehold
4072	Garibaldi	19 Cross Street	Stourbridge	DY8 3XE	Freehold
40650	Gate	22 Main Road	Ratcliffe Culey, Atherstone	CV9 3NY	Freehold
15262	Gate Hangs High	[?]hosnessni Lane	Wrexham	LL13 9ES	Freehold
3431	Gate Hangs Well	123 Hurst Hill	Coseley	WV14 9EU	Freehold
16147	Gate Hotel	Main Road	Langwith	NG20 9DN	Freehold
15401	Gate Inn	49 Woodland Road	Stanton, Burton On Trent	DE15 9TH	Freehold
16055	Gata Inn	High Street	Loscoe	DE75 7LF	Freehold
15308	Gale Inn	Main Street	Branston, Burton On Trent	DE14 3EY	Freehold
40296	Gale Inn	Marsh Lane	Troway, Nr Sheffield	S21 5RU	Freehold
15122	Gate Inn	Meadow Lane	Loughborough	LE11 1JU	Freehold
91189	Gate Inn	Nether Witacre	Birmingham	B46 2DS	Freehold
16076	Gate Inn	Ordsall	Nr Retford	DN22 7TP	Freehold
16184	Generous Briton	14 Main Street	Costock	LE12 6XD	Freehold
16056	Generous Briton	King Street	Melton Mowbray	LE13 1XA	Freehold
3760	George	37 Dudley Road	Oldbury	BE9 3DP	Freehold
15319	George & Dragon	16 Green Lane	Broughton Astley	LE9 6RA	Freehold
90332	George 4 Dragon	Airewas	Burton On Trent	DE13 7AE	Freehold
3588	George & Dragon	Beacon Street	Lichfield	WS13 7AJ	Freehold
40012	George & Dragon	Church Street	Flint	CH6 5AE	Freehold
16222	George & Dragon	High Street	Aldbrough	HU11 4AP	Freehold
2284	George & Dragon	Tarvin	Chester	CH3 8EE	Freehold
40040	George Hotel	14 Church Street	Hayfield, High Peak	SK22 2JE	Freehold
40025	George Hotel	4 Market Street	Holyhead	LL65 1UL	Freehold
40651	George Hotel	Aistonefield	Ashbourne	DE6 2FX	Freehold
40908	George Inn	13 George Street	Kirkburton, Huddersfield	HD8 0SF	Freehold
40652	George Inn	35 - 37 Cameddi Road	Bethesda	LL57 3SE	Freehold
40653	George Inn	78 Main Street	Markfield, Leicester	LE67 9UU	Freehold
5547	George Inn	Market Square	Winslow	MK18 3AB	Freehold
40233	Gitanas	558 Hartshill Road	Hartshill, Stoke On Trent	ST4 8AF	Freehold
41028	Gladstone Arms	Morton Road	Pilsley, Chesterfield	S45 8EE	Freehold
40276	Glassblower Hold	147 Boundary Road	St Helens	WA10 2LP	Long Leasehold
40147	Globe	224 Bucknall New Road	Hantey, Stoke On Trent	ST1 2BQ	Freehold
5525	Globe	50 Hartwell Road	Hanslope	MK19 7BY	Freehold
3434	Globe	Upper Brook Street	Rugeley	WS15 2DN	Freehold
8886	Globe Inn	Northgate	Gulsborough	TS14 6JP	Freehold
15313	Globe Inn	Watling Street	Wilnecote, Tamworth	B77 5BA	Freehold
15553	Goat Hotel	High Street	Bala	LL23 7AS	Freehold
3763	Golden Cross	Unicom Hill	Redd[?]ch	B97 4RA	Freehold
3589	Golden Eagle Inn	Keresley	Coventry	CV7 8JP	Freehold
8112	Golden Fleece	3 Owen Streel	Hereford	HR1 2JB	Freehold
15187	Golden Grove	Llyndir Lane	Rossett	LL12 0AS	Freehold
440	Golden Lion	30 Market Place	Barnard Castle	DL12 8NB	Freehold
3935	Golden Lion	Bilston	Wolverhampton	WV14 8UP	Freehold
4074	Golden Lion	George Street	Kidderminster	DY10 1PX	Freehold
15155	Golden Lion	High Street	Denbigh	LL16 3TE	Freehold
8772	Golden Lion	Market Place	Richmand	DL10 4QL	Freehold
15011	Golden Lion	Tabor Hill	Coodpoath, Wrexham	LL11 3RP	Freehold
16331	Goldminers	St John Road	Littlemoor	S41 8QQ	Freehold
15290	Gramplan	2A Cromerty Close	Sinfin Derby	DE24 9NB	Long Leasehold
2688	Grand Turk	207 Sutton Road	Kidderminster	DY11 6QJ	Freehold
3593	Grange	83 Grange Road	Dudley	DY1 2AN	Freehold
40197	Granvilla Amis	Granvile Street	Woodville, Nr Burton On Trent	DE11 7JQ	Freehold
91757	Grapes Inn	2 Station Road	Kidsgrove	S17 4QT	Freehold
15043	Grapes Inn	High Street	Belper	DE56 1GF	Freehold
40655	Great Northern	19 Junction Street	Derby	DE1 1LX	Freehold
2688	Great Western	42 Kidderminster Road	Bowdley	DY12 1BY	Freehold
16077	Green Dragon	Blind Lane	Oxton	NG25 0SS	Freehold
16338	Green Dragon	Broomhill Lane	Mansfield	NG19 6BN	Freehold
4661	Green Dragon	High Street	Walsall	WS1 1QW	Freehold
9777	Green Dragon	High Street	Bedale	DL8 1EQ	Freehold
9745	Green Lady	Pontygwyndy Road	Caerphilly	CF83 3SX	Freehold
9526	Gray Nags Head	219 High Street	Gateshead	NE8 1AS	Freehold
40656	Greyhound	Main Street	Botcheston, Leicester	LE9 9FF	Freehold

90358	Greyhound	Rhosnesnl	Wrexham	LL13 9EB	Freehold
3938	Greyhound	High Street	Swindon	DY3 4NP	Freehold
15269	Greyhound Inn	New Buildings	Hinckley	LE10 1HN	Freehold
16151	Greyhound Inn	Town Street	Pinxton	NG18 6JP	Freehold
3595	Griffin	8 Stone Street	Dudley	DY1 1NS	Freehold
5548	Griffin Inn	Chipping Warden	Banbury	OX17 1LB	Freehold
15018	Gronant Inn	Gronant	Prestatyn	LL19 9TG	Freehold
40179	Grosvenor Hotel	2 Upper Mersey Street	Ellesmere Port, Wirral	CH65 2EL	Freehold
40079	Grove	1097 Rochdale Raod	Blackley, Manchester	MB 7FW	Freehold
15520	Grove Hotel	Bell Vue	Shrewsbury	SY3 7NN	Freehold
15356	Grove Hotel	Merrydale Road	Stapenhill Burton	DE16 9DQ	Freehold
15396	Grove Inn	Lower Heath	Congleton	CW12 1NP	Freehold
18045	Grove Inn	York Road	Doncaster	DN5 8HL	Freehold
7399	Guild Merchant	360 Tag Lane, Ingol	Preston	PR2 3UY	Freehold
15000	Gwindy Hotel	Market Street	Abergele	LL22 7AG	Freehold
3769	Hal]stone	1 Springfield Close (off Dudley Road)	Rowley Regis	865 8JZ	Freehold
16239	Hallway	Hessel Road	Huli	HU3 5AA	Freehold
40129	Halfway House	148 - 150 Chester Road	Childer Thomton, Wirral	CH66 1QN	Freehold
40259	Halfway House Hotel	Ormsklrk Road	Pemberton, Wigan	WN5 9DH	Lang Leasehold
15415	Halfway House Inn	Femhill Heath	Worcester	WR3 8RA	Freehold
40138	Halfway House Inn	Main Road	Halfway House, Shrewsbury	SY5 9DG	Freehold
15159	Halfway Inn	High Street	Caergwrte, Wrexham	LL12 9ET	Freehold
40254	Haltton Castle Inn	Crosshall Brow	Westhoad, Ormsklrk	L4D 6JF	Freehold
2298	Hampden Arms	Acrefair	Wrexham	LL14 3UG	Freehold
40658	Hand Inn	Henllan Street	Denbigh	LL16 3PF	Freehold
90376	Hand Inn	Holt Road	Wrexham	LL13 8NG	Freehold
8904	Hardwick Hotel	High Newham Road	Stockton On Tees	TS19 8JZ	Freehold
40314	Hare & Hounds	6 Church Street	Oughtlbridge, Sheffield	S35 0FW	Freehold
16287	Hare & Hounds	Fishlake	Doncaster	DN7 5JN	Freehold
40659	Harecastle Hotel	Liverpool Road	Kidsgrove, Stoke On Trent	ST7 1EA	Freehold
2532	Harlequin	136 Stamford Road	Kettering	NN16 9UA	Freehold
2693	Harp Inn	74 High Street	Bridgnorth	WV16 4DX	Freehold
4654	Harry Hotspur	Harlescott Lane	Shrewsbury	SY1 3AT	Freehold
40660	Hart & Trumpet	Station Road	Gobowen, Nr Oswestry	SY11 3JS	Freehold
2305	Hartley Arms	56 Long Street	Wheaton Aston	ST19 9NF	Freehold
40050	Hartleys Wine Bar	59 Standishgate	Wigan	WN1 1UP	Freehold
3721	Hasbury Inn	Hagley Road	Halesowen	B63 4QQ	Freehold
40946	Hatter	26 Lovely Lane	Warrington	WA5 1NE	Long Leasehold
16307	Hearty Goodfellow	Arbury Road	Stocklingford, Nuneaton	CV10 7NQ	Freehold
16249	High Farm	Farrar Lane	Holt Park Village	LS16 7AQ	Long Leasehold
3998	High Oak	Pensnett	Dudley	DY5 4ED	Freehold
40661	Highland Laddie	69 Wellington Road	Hanley, Stoke On Trent	ST1 3QH	Freehold
8117	Highland Laddie	Haughton Le Skeme	Darlington	DL1 2DF	Freehold
90394	Holly Bush	Cefn-y-Bedd	Nr. Wrexham	LL12 9UD	Freehold
15059	Holly Bush	Church Broughton	Derby	DE65 5AS	Freehold
80398	Holywell	London Road	Hinckley	LE10 1HL	Freehold
4469	Honeysucld Inn	Beaumaris Road	Newport	TF10 7BN	Freehold
3449	Hop Pole Inn	2 Market Street, Bliston	Wolverhampton	WV14 0DP	Long Leasehold
8150	Hope Inn	Front Street	Sedgefield	TS21 3AT	Freehold
2478	Hope Tavern	50 Cinder Bark	Netherton	DY2 9BB	Freehold
16038	Homs	10 -15 Victoria Square	Ashboume	DE6 1GG	Freehold
16115	Horse &Gears	21 Portland Street	Newark	NG24 4XF	Freehold
15019	Horse & Jockey	Church Road	Buckley	CH7 3JQ	Freehold
3772	Horse & Jockey	High Street	Wall Heath	DY6 0HA	Freehold
4000	Horse & Jockey	Stoney Lane	West Bromwich	B71 4EZ	Freehold
3999	Horse & Jockey	Walsall Road	Darlaston	WS10 9JS	Freehold
10314	Horse Vaults	Horsefair	Pontefract	WF8 1PE	Freehold
40262	Horseshoe Hotel	1 Wigan Road	Standish, Wigan	WN6 0BG	Freehold
40895	Horseshoe Inn	Hollow Lane	Kingstey, Nr Warrington	WA6 8EF	Freehold
40075	Houghton Arms	708 Oldham Road	Failsforth, Manchester	M35 9FD	Freehold
40239	Houghton Arms	Houghton Street	Earlstown, Newton Le Willows	WA12 9QL	Long Leasehold
40664	Hunter	Saverley Green	Blythe Bridge, Stoke On Trent	ST11 9QX	Freehold
40181	Huntsman	87 Freckleton Street	Klrkham, Preston	PR4 2SO	Freehold
3604	Huntsman	City Road	Tividale	B69 1QP	Freehold
3605	Huntsman	Cosby	Leicester	LE9 1UU	Freehold
41001	Huntsman				
	(formerly New Huntsman)	105 Main Road	Drax, N r Selby	YO8 8NT	Freehold
15399	Huntsman Inn	The Green	Cheadle	ST10 1XS	Freehold
2312	Hurst Hill Tavern	Coseley	Bilston	WV14 9HJ	Freehold
40905	Huyton Park	36 St John's Road	Huyton, Liverpool	L36 0UU	Freehold
2560	Inn on the Green	Bank Farm Road	Shrewsbury	SY3 6DU	Freehold
15436	Inn On The Marsh	Stoar Road	Moroton In The Marsh	GL56 0DW	Freehold

91673	Innings	1 Prospect Precinct	Worksop	SB1 0RS	Long Leasehold
41015	Inns of Court	22 King Street	Wakefield	WF1 2SR	Freehold
40915	Intack Inn	361 Accrington Road	Blackburn	B81 2AL	Freehold
16320	Ivy Hotel	Valley Road	Pudsey	LS28 9EU	Freehold
40182	Ivy House	118 Park Lane	Macclesfield	SK11 6UA	Freehold
40309	Ivy House	18 Ivy street	Crosland Moor, Huddersfield	HD4 6RB	Freehold
1279	Ivy House	Newtown	Bloxwich	WS6 6AZ	Freehold
40227	Jester	Biddulph Road	Fegg Hayes, Stoke On Trent	ST6 6TR	Freehold
15211	Jolly Colliers	Thornborough Road	Coalville	LE67 3TN	Freehold
40667	Jolly Masons	Rock Road	Rhosymedre, Wrexham	LL14 3YF	Freehold
4168	Jolly Toper	Barlestone	Nuneaton	CV13 0ED	Freehold
813	Joxer Brady's	4 St Martins Place	Stafford	ST16 2LA	Freehold
40198	Jubilee	Hawfield Lane	Winshill, Burton-On-Trent	DE15 0BY	Freehold
15269	Jubilee Inn	Main Street	Newbold Verdon	LE9 9NP	Freehold
40668	Junction	1 Ogden Lane	Brighouse, Huddersfield	HD6 3HF	Freehold
40960	Junction	High Street	Chasetown	WS7 6XF	Freehold
15074	Junction Tavern	Junction Street	Dorby	DE1 1LX	Freehold
91678	Ketch	Kniveton	Ashbourne	DE8 1JF	Freehold
40936	King Billy	20 St John Street	Kidderminster	DY11 6YE	Freehold
15503	King Charles [?]	13 Broad Street	Ross On Wye	HR9 7EA	Freehold
3452	King Charles Inn	Bushbury	Wolverhampton	WV10 8UT	Freehold
16128	King Edward VII	Ryton Street	Worksop	S80 2AU	Freehold
2556	King Oswy	King Oswy Drive	Hartlepool	TS24 9LU	Freehold
91519	King William IV	152 Hallgate	Cottingham	HU16 4BD	Freehold
2702	Kings Arms	19 Redhouse Hill	Stourport On Severn	DY13 0NN	Freehold
15448	Kings Arms	37 New Street	Horbury	WF4 6NB	Freehold
15298	Kings Arms	Church Lane	Ravenstone, Coalville	LE67 2AF	Freehold
6262	Kings Arms	Ombersley	Worcester	WR9 0EW	Freehold
91762	Kings Head	11 Kingsway	Market Rasen	LN8 3YA	Freehold
3774	Kings Head	67 Sidbury	Worcester	WR1 2HU	Freehold
90451	Kings Head	Bird Street	Lichfield	WS13 6PW	Freehold
2704	Kings Head	Cross Street	Tenbury Wells	WR15 8EG	Freehold
15041	Kings Head	High Street	Rhuddlan	LL1B 2TU	Freehold
8890	Kings Head	Hutton Rudby	Yarm	TS15 0DA	Freehold
40216	Kings Head	Ingram Road	Blakenhall, Walsall	WS3 1LU	Freehold
15135	Kings Head	Shrewsbury Road	Market Drayton	TF9 3EH	Freehold
5030	Kingsmill	Kingsmill Road	Wrexham	LL13 0NS	Freehold
16288	Kingston Hotel	Trinity House Lane	Hull	HU1 2JA	Freehold
40061	Kirklesa Hall Hotel	Top Lock	New Springs, Wigan	WN2 1JW	Long Leasehold
3761	Knights Quest	Rowley Regis	Warley	B65 0EE	Freehold
15294	Knockerdown Inn	Ashboume	Derbyshire	DE6 1NQ	Freehold
4777	Knot of Rope	Thombury	Bristol	BS35 2AP	Freehold
1849	L A Rock Caf[?]	Stafford Road	Cannock	WS11 2AG	Freehold
3775	Labour in Vain	59 Red Hill	Stourbridge	DY8 1NG	Freehold
15261	Lady Jane	Hall Lane	Whitwick	LE67 5PH	Freehold
40950	Lamb	Main Street	Newhall, Nr Burton-On-Trent	DE11 0TW	Freehold
15488	Lamb & Flag Inn	The Tything	Worcester	WR1 1JL	Freehold
15046	Lamb Inn	Station Road	Castle Donington	DE74 2NJ	Freehold
15271	Last Inn	Barmouth	Gwynedd	LL42 1EL	Freehold
40223	Leather Bottle Hotel	Leathers Lane	Halewood, Liverpool	L26 0TS	Long Leasehold
90469	Legh Arms Hotel	Chelford Road	Knutsford	WA16 8EB	Freehold
40670	Leopard	Monk Street	Tutbury	DE13 9NA	Freehold
4003	Leopard	127 Dudley Road	Sedgley	DY3 1TP	Freehold
15295	Leopard Inn	Lichfield Street	Burton On Trent	DE14 3QZ	Freehold
91643	Lewis's Bar & Lounge	14 Kirkgate	Huddersfield	HD1 1QH	Long Leasehold
15184	Lifeguardsman Inn	Brook Street	Shepshead	LE12 9RF	Freehold
91677	Lime Kiln	Porth-Y-Waen	Oswestry	SY10 8LX	Freehold
2604	Limekiln	28B Aqueduct Street	Preston	PR1 7JP	Freehold
90475	Limekilns	Watling Street Burbage	Nr.Hincidey	LE10 3ED	Freehold
16192	Lincoln Arms	4 Bridge Street	Spalding	PE11 1XA	Freehold
40671	Lion Hotel	201 Liverpool Road	Cadishead, Manchester	M44 5XH	Freehold
91684	Lion Hotel	Berriew	Welshpool	SY21 8PQ	Freehold
91574	Little John Inn	177 Main Road	Ravenshead	NG15 9GS	Freehold
40963	Little Pig	120 High Street	Amblecote, Stourbridge	DY8 4DA	Freehold
2313	Lodge Inn	Vicarage Lane	Weston Rhyn	SY10 7RG	Freehold
7927	Loggerheads	Church Street	Shrewsbury	SY1 1UG	Freehold
90461	London House Inn	Chapel Street	Rugby	CV21 3EB	Freehold
3777	Longlands Tavern	24 Western Road	Stourbridge	DY8 3XU	Freehold
16221	Lord Collingwood	Hodgson Lane	Upper Poppleton	YO26 6EA	Freehold
3458	Lord Hill	High Street	Dawley	TF4 2EX	Freehold
16183	Lord Nelson	2 Bourne Road	Morton Boume	PE10 0RG	Freehold
16231	Lord Nelson	Woodville	Boston	PE21 8BB	Freehold

16154	Lord Nelson Inn	Bull Bridge	Ambergate	DE56 2EW	Freehold
40183	Lord Raglan	12 Water Street	Radcliffe, Manchester	M26 4TW	Freehold
15472	Lord Scarsdale	New Zealand Lane	Duffield	DE56 4BZ	Freehold
40701	Lothian	132 North Hill Street	Toxteth, Liverpool	L8 8AG	Freehold
40139	Madryn Arms	Chwilog	Pwllheli	LL53 6SH	Freehold
40098	Maelgwyn	Osbourne Road	Llandudno Junction	LL31 9EF	Freehold
16155	Malln Wine Vaults	Normanton Road	Derby	DE23 6US	Freehold
90489	Malt House	Cliff	Nr. Tamworth	B78 2DL	Freehold
4007	Malt Shovel	46 Tower Street	Dudley	DY1 1NB	Freehold
41007	Malt Shovel	9 Potter Street	Spondon, Derby	DE21 7LH	Freehold
15119	Malt Shovel	Hadley Park Road	Leegomery, Telford	TF1 6QG	Freehold
15324	Malt Shovel	Oakarthorpe Road	Wirksworth	DE4 4GS	Freehold
15224	Malt Shovel	Worthington	Ashby	LE65 1RQ	Freehold
16289	Manchester Arms	Scale Lane	Hull	HU1 1LA	Freehold
8118	Mandale	Lane House Road	Thomaby	TS17 8EJ	Freehold
7743	Manor Arms	Park Road	Rushall	WS4 1LG	Freehold
40673	Mariners Arms	33 St Marys Road	Garston, Liverpool	L19 2NJ	Freehold
40292	Mariners Arms	47 Eastgate South	Driffield	YO25 6LR	Freehold
40276	Market Gate	43 Westgate	Skelmersdere	WN8 8LP	Freehold
3779	Market Hall Tavern	33 Market Street	Kingswinford	DY6 9JS	Freehold
16158	Market Inn	Market Place	Mansfield	NG18 1HX	Freehold
7752	Market Vaults	Market Street	Tamworth	B79 7LR	Freehold
16290	Marlborough Club	Newstead Street	Hull	HU5 3NB	Freehold
9624	Mash Tub	Nottingham Street	Melton Mowbray	LE13 1NW	Freehold
41025	Masonic	35 Gladstone Road	Garston, Liverpool	L19 1RR	Freehold
16005	Master Brewer	Main Street	Bramley	S66 2SF	Freehold
3622	Meadowbank Inn	Kelmarsh Avenue	Wigston Magna	LE18 3QW	Freehold
40004	Mechanics Arms Hotel	12 Chester Road East	Pentre, Queensferry	CH5 2AA	Freehold
2315	Mermald	28 High Street	Welshpool	SY21 7JP	Freehold
3458	Merridale Arms	120 Merridale Street	Wolverhampton	WV3 0RA	Freehold
40918	Mile Post	55 Leeds Road	Oatlands, Harrogate	HG2 8AY	Freehold
8919	Mill House	Rium Terrace	Hartlepool	TS24 8AS	Freehold
40243	Mill Tavern	15 Cann Bridge Street	Higher Walton, Preston	PR5 4DJ	Freehold
40954	Millers Inn	Deame Hall Road	Low Barugh, Bamsley	S75 1LX	Freehold
40674	Millstone	21 Maunders Road	Milton, Stoke On Trent	ST2 7DU	Freehold
40675	Millstone	31 Blackley New Road	Manchester	M9 8ES	Long Leasehold
16195	Millstone	Rhyall	Stamford	PE9 4HH	Freehold
15025	Miners	Flord Tatargoch	Prestatyn	LL19 8LA	Freehold
40295	Miners Arms	1 Bamford Street	New Wittington, Chesterfield	S43 2BA	Freehold
16117	Miners Arms	308 Stoneyford Road	Sutton In Ashfield	NG17 2DX	Freehold
3460	Miners Arms	74 Prince Street	Madeley	TF7 4DY	Freehold
16158	Miners Arms	Church Street West	Pinxton	NG16 6NB	Freehold
40303	Miners Arms	Manor Road	Brimington, Chesterfield	S43 1NS	Freehold
16196	Miners Arms	Mill Lane	Codnor	DE5 9QF	Freehold
15282	Miners Arms	Miners Hill	Brassington	DE4 4HA	Freehold
16157	Miners Arms	Park Street	Alfeton	DE55 7JE	Freehold
41014	Minster Inn	24 Marygate	York	YO30 7BH	Freehold
15065	Mitre Vaults	Pentrefelin	Wrexham	LL13 7NB	Freehold
925	Model T	Fulthorpe Avenue	Darlington	DL3 9XT	Freehold
91659	Molescroft Inn	75 Molescroft Road	Beverley	HU17 7EG	Freehold
3462	Monkey House	Kent Road	Wolverhampton	WV2 2AY	Freehold
91679	Moon Inn	High Street	Stoney Middleton	S32 4TL	Freehold
40062	Moorgate Inn	52 Scot Lane	Aspull, Wigan	WN2 1YL	Freehold
5186	Moorside	Swinton	Manchester	M27 9LD	Freehold
15405	Moss Inn	140 Canal Road	Congleton	CW12 3AT	Freehold
15306	Moss Rose	Buxton Road	Leek	ST13 7LN	Freehold
16328	Mount	72 Blossom Street	York	YO24 1AR	Freehold
3781	Mount Pleasant	115 Cot Lane	Kingswinford	DY6 9TH	Freehold
4355	Mount Pleasant	Bedworth	Nuneaton	CV12 8BU	Freehold
4403	Mug House	Claines	Worcester	WR3 7RN	Freehold
16159	Nags Head	High Pavement	Belper	DE58 1GD	Freehold
15284	Nags Head Hotel	Nottingham Road	Borrowash	DE72 3FP	Freehold
16080	Nags Head Inn	37 Newbold Road	Newbold Village	S41 8RJ	Freehold
2316	Nags Head Inn	Bridge Street	Aberystwyth	SY23 1PZ	Freehold
15052	Nags Head Inn	Diseworth Road	Castle Donington, Derby	DE74 2PR	Freehold
2825	Nags Head Inn	Hornsey Road	Routh	HU17 9SL	Freehold
15301	Nags Head Inn	Main Street	Stapleton	LE9 8JN	Freehold
15172	Nags Head Inn	Wilne Road	Sawley, Long Eaton	NG10 3AL	Freehold
40941	Nancy Inn	Church Street	Burton Pidsea, Hull	HU12 9AU	Freehold
3627	Needles	Alvaston	Derby	DE24 0UQ	Freehold
40959	NelthorpeArms	1 Bridge Street	Brigg	DN20 8LN	Freehold
3788	New Binswood Tavern	Rugby Road	Leamington Spa	CV32 6DA	Freehold

40678	New Black Bull	Bridge Street	Brindley Ford, Stoke On Trent	ST8 7QB	Freehold
91042	New Broom	Checkley	Stoke On Trent	ST10 4NB	Freehold
91680	New Ellistown	White Hill Road, Ellistown	Coalville	LE67 1EL	Freehold
3784	New Inn	105 Lower Howsell Road, Lower Howse	Malvern	WR14 1DN	Freehold
40940	New Inn	13 Main Street	Tickton, Nr Beverley	HU17 9SH	Freehold
15450	New Inn	273 Horrowlow Road North	Burton On Trent	DE13 0SS	Freehold
40083	New Inn	55/56 Ratcliffe Road	Aspull, Wigan	WN2 1YE	Freehold
15048	New Inn	Denbigh Street	Llanrwst	LL26 0LL	Freehold
15349	New Inn	Ferry Street	Stapenhill, Burton On Trent	DE15 9EU	Freehold
15407	New Inn	Ludgate Street	Tutbury	DE13 9NG	Freehold
16198	New Inn	Main Street	Newton	DE55 5TE	Freehold
3785	New Inn	Rowley Regis	Warley	B65 0PH	Freehold
3465	New Inn	Salop Street	Wolverhampton	WV3 0SR	Freehold
91695	New Inn	St Owens Cross	Hereford	HR2 8LQ	Freehold
15012	New Inn	Waterfall Road	Dyserth	LL18 6ET	Freehold
16160	New Inn	Westgate	Mansfield	NG18 1RR	Freehold
40005	New Inn	Station Road	Sandycroft	CH5 2PT	Freehold
40679	New Inns	Kiddemore Green	Brewood	ST19 1BH	Freehold
16025	New Kent	1 Derby Road	Stapleford	NG9 7AR	Freehold
15182	New Moston Inn	Belgrave Road	New Moston	M40 3ST	Freehold
15260	New Plough Inn	Lelcetsar Road	Hinckley	LE10 1LS	Freehold
2643	New Ship	42 Gibson Street	Newbiggin	NE64 6UW	Freehold
15320	New Talbot	Anglesey Road	Burton Upon Trent	DE14 3NN	Freehold
40232	Newstead Abbey	48 Smithdown Road	Liverpool	L7 4JG	Freehold
15352	Nineteenth Hole	Waterswallows Road	Fairfield, Buxton	SK17 7EM	Freehold
3633	Noahs Ark	12 Wood Street	Tipton	DY4 9BQ	Freehold
15161	Norfolk Inn	Norfolk Street	Stoke On Trent	ST1 4PB	Freehold
16199	Northwick Arms	High Street	Ketton	PE9 3T	Freehold
8151	Nursery	Hopps Street	Hartlepool	TS26 8RA	Freehold
16018	Nv	16 Silver Street	Halifax	HX1 1HS	Freehold
91656	Oak Inn	119 Gosford Street	Coventry	CV1 5DL	Freehold
40249	Oak Tree Hotel	130 Preston Road	Coppull, Chorley	PR7 5ED	Freehold
40052	Oak Tree Inn	150 Belle Green Lane	Ince, Wigan	WN2 2ET	Freehold
15026	Oak Tree Tavern	Ruabon Road	Wrexham	LL13 7PL	Freehold
40206	Oasthouse	Sandhurst Drive	Brightmet, Botton	BL2 6DZ	Long Leasehold
40186	Oddfellows	97 Welsh Row	Nantwich	CW5 5ET	Freehold
15341	Oddfellows	Whitehough	Chinley	SK23 6EJ	Freehold
8121	Oddfellows Arms	500 Thornaby Road	Thornaby	TS17 0AA	Freehold
15269	Old Ball Inn	Broadoak Road	Smallshaw	OL6 8QW	Freehold
40682	Old Bell	115 Abbey Foregate	Shrewsbury	SY2 6BA	Freehold
3790	Old Bell	Lye	Stourbridge	DY9 8LT	Freehold
40126	Old Black Horse	Henblas Street	Rhostyllen, Wrexham	LL14 4AD	Freehold
16047	Old Blue Bell	Lammas Road	Sutton In Ashfield	NG17 2AD	Freehold
15474	Old Brown Jug	Bridge Street	Newcastle	ST5 2RY	Freehold
3401	Old Bush	15 Cross Street	Bilston	WV14 8DL	Freehold
15400	Old Bush	Callow End	Worcester	WR2 4TE	Freehold
2331	Old Bush	High Street	Wombourne	WV5 8DT	Freehold
2330	Old Bush	Swindon	Dudley	DY3 4NR	Freehold
2726	Old Bush Revived	Rowley Regis	Blackheath	B65 0AD	Freehold
15516	Old Cock Inn	Friar Street	Droitwich	WR9 8EQ	Freehold
40972	Old Crown	Cavendish Bridge	Shardlow, Derby	DE72 2HL	Freehold
3636	Old Crown	Great Bridge	Tipton	DY4 7JF	Freehold
91048	Old Crown	Wiggington	Tamworth	B79 9DW	Freehold
4083	Old Dial	Wordsley	Stourbridge	DY8 4AJ	Freehold
16295	Old English Gentleman	Mason Street	Hull	HU2 8BG	Freehold
15241	Old Kings Arms	19 Klrk Gate	Newark	NG24 1AD	Freehold
90618	Old Mill	Market Lane	Barton	DN18 5DE	Freehold
3638	Old Park	Middlepark Road	Dudley	DY1 2LJ	Freehold
40831	Old Pear Tree	44 Frog Lane	Wigan	WN1 1HG	Freehold
16084	Old Pump	Hackney Lane	Barlow	S18 7TD	Freehold
5553	Old Red Lion	Litchborough	Towcester	NN12 8JF	Freehold
16119	Old Reindeer	Edingley	Newark	NG22 8BE	Freehold
15473	Old Rose & Crown	Worcester Road	Stourport	DY13 9PA	Freehold
91764	Old Royal George	Morton on Swale	Northallerton	DL7 9QS	Freehold
15312	Old Royal Oak	Buxton Road	Leek	ST13 6ED	Freehold
40267	Old Springs Inn	Spring Road	Orrell, Wigan	WN5 0JJ	Freehold
4016	Old Swan	Long Street	Atherstone	CV9 1AH	Freehold
16245	Old Thatched Inn	Main Street	Stanton Under Bardon	LE67 9TQ	Freehold
4086	Old Waggon & Horses	Ismere	Kidderminster	DY10 3NX	F roo hokt
16082	Ollerton House	Wellow Road	Ollerton	NG22 8AP	Freehold
40283	One O'Clock Gun	Bidston Green Drive	Upper Bidston Village, Prenton	CH43 7YP	Long Leasehold

4281	Otter & Vixen	Old Fallings Lane	Wolverhampton	WV10 8BN	Freehold
16048	Oval Inn	Carsic Estate	Sutton In Ashfield	NG17 2FR	Freehold
5238	Oxleathers	Weston Downs	Stafford	ST17 9QT	Freehold
16120	Pack Horse Inn	23 Pack Horse Lane	High Green	S35 3HY	Freehold
40290	Pack Horse Inn	7 Market Place	Old Town, Bridgington	Y016 4QJ	Freehold
40188	Park	42 Wistaton Road	Crewe	CW2 7RE	Freehold
40150	Park Inn	17 Cotter Street	Ardwick, Manchester	M12 6EY	Freehold
40662	Park View	2 Parksway	Higher Blakeley, Manchester	M9 0OJ	Long Leasehold
90646	Peacock Hotel	Corringham Road	Gainsborough	DN21 1EQ	Freehold
16241	Pelican	James Rickett Avenue	Hull	HU8 0EA	Freehold
40110	Penbont Inn	Station Road	Uanrug	LL55 4AY	Freehold
16333	Penguin	5 Mason Lalth Road	Sheffield	S5 0TL	Long Leasehold
40277	Penny Ferry Hotel	271 Thelwall Lane	Latchford, Warrington	WA4 1NF	Freehold
15538	Penrhos Arms	Station Road	Whittington	SY11 4DA	Freehold
40132	Pheasant	14 Market Street	Newtown	SY16 2PQ	Freehold
16164	Pheasant Inn	Chesterfield Road	Mansfield	NG19 7AP	Freehold
41021	Phoenix	75 George Street	York	YO1 9PT	Freehold
2337	Pier Hotel	Pier Street	Aberystwyth	SY23 2LN	Freehold
16258	Pilot	Greenwood Avenue	Hull	HU6 9NA	Long Leasehold
41012	Pineapple Inn	Wakefield Road	Warmfield, Wakefield	WF1 5TR	Freehold
16251	Pini & Pot	248 Ellerbum Avenue	Hull	HU6 9RR	Long Leasehold
16085	Plough	Farnsfield	Newark	NG22 8EA	Freehold
16007	Plough	Forest Road	New Ollerton	NG22 9QS	Freehold
3474	Plough	School Road	Trysull, Wolverhampton	WV5 7HR	Freehold
91682	Plough	Wall Under Haywood	Church Stretton	SY6 7DS	Freehold
2519	Plough & Harrow	Cradley Heath	Warley	B54 7BT	Freehold
15408	Plough Inn	105 Liverpool Road	Kidsgrove	ST7 4EW	Freehold
15006	Plough Inn	Bridge Street	Denbigh	LL16 3TF	Freehold
15156	Plough Inn	Burroughs Road	Ratby	LE6 0XZ	Freehold
15228	Plough Inn	Main Street	Caunton, Newark	NG23 6AB	Freehold
90865	Plough Inn	Mill Hill	Enderby	LE9 5AL	Freehold
5302	Plough Inn	Pall Mall	Chorley	PR7 3NE	Long Leasehold
15479	Plough Inn	Upton On Severn	Upton On Severn	WR8 0HY	Freehold
3644	Plume of Feathers	Russells Hall	Dudley	DY1 2NY	Freehold
40073	Poacher	1-3 Scot Lane	Blackrod, Bolton	BL8 5SG	Freehold
5719	Poacher's	Bridge Street	Metal Bridge	DH6 5LO	Freehold
5595	Poachers - Le[?]s	Chartwell Drive Industrial Estate	Wigston	LE18 2FL	Freehold
5026	Poachers - Middridge	Middridge	Newton Ayc[?]ffe	DL5 7JD	Freehold
2548	Poacher's Bam	Osgodby Lane	Osgodby	YO11 3QH	Freehold
9588	Poachers Cottage	Callerton, Westerhope	Newcastle Upon Tyne	NE5 1NY	Freehold
4313	Poachers Tavern	Qtalsdale Drive	Bilborough	NG8 4GY	Long Leasehold
16252	Polar Bear	229 Spring Bank	Hull	HU3 1LR	Freehold
8153	Pollard's	104 Etherty Lane	Bishop Auckland	DL14 6TN	Freehold
16008	Portland Arms	Albert Street	Mansfield	NG18 1EA	Freehold
3797	Portway	Stream Road	Kingswinford	DY6 9NW	Freehold
40279	Primrose Vaults	Park Road	Parr, St Helens	WA9 1HE	Freehold
41023	Prince of Wales	9 Potter Hill	Greasborough, Rotherham	S61 4NU	Freehold
15280	Prince of Wales	Coventry Road	Hinckley	LE10 0JT	Freehold
7888	Prince of Wales	Coychurch	Bridgend	CF35 5HD	Freehold
3648	Prince of Wales	Cradley Heath	War[?]ey	B64 6QY	Freehold
90681	Prince of Wales	Milltown	Glossop	SK13 8PX	Freehold
15449	Prince of Wales	Newtown Road	Malvern Link	WR14 1PF	Freehold
3799	Prince of Wales	Wamdon	Worcester	WR4 9HY	Freehold
3952	Prince of Wales	Woodsetton	Dudley	DY3 1B2	Freehold
40255	Prince William	Beacon Lane	Dalton. Nr Wigan	WNB 7RU	Freehold
3476	Princess Royal	Sandon Road	Stafford	ST16 3HF	Freehold
90666	Priory	Abbots Road	Leek	ST13 6EZ	Freehold
16297	Punch Hotel	Queen Victoria Square	Hull	HU1 3RA	Freehold
3800	Punchbowl Inn	Uchfield Avenue, IRonkswood	Worcester	WR5 1PE	Freehold
15460	Quarry Inn	70 Quarry Hill	Horbury, Wakefield	WF4 5NF	Freehold
81699	Que Sera	6 Church Street	Heanor	DE75 7AH	Freehold
40312	Queen	791 Manchester Road	Milnsbridge, Huddersfield	HD4 5SW	Freehold
5172	Queen of Hearts	[?]ydate Road	Berrillee	ST2 9HQ	Freehold
40154	Queen Victoria	192 -196 Victoria Road	Fenton, Stoke On Trent	ST4 2HQ	Freehold
16500	Queen Victoria	Church Walks	Llandudno	LL30 2HL	Long Leasehold
40221	Queens Arms	13 Graislely Row	Wolverhampton	WV2 4HJ	Freehold
40302	Queens Arms	Bridge Street	Bakewell	DE4S 1DS	Freehold
15336	Queens Arms	Main Street	Leire, Lutterworth	LE17 5HS	Freehold
9291	Queens Head	1 The Strand	Bromsgrove	B61 8AB	Freehold
9585	Queens Head	49 High Street	Stokesley	TS9 5AD	Freehold
15264	Queens Head	5 Main Street	Heather	LE67 2QP	Freehold
15134	Queens Head	Ashby Road	Markfield	LE67 9UB	Freehold

40686	Queens Head	Bagill Street	Greenfield, Holywell	CH8 7EY	Freehold
90698	Queens Head	Barwell	Leicester	LE9 8DR	Freehold
3478	Queens Head	King Street	Dawley, Telford	TF4 2AA	Freehold
16009	Queens Head	Queen Street	Mansfield	NG18 1JN	Freehold
15375	Queens Head	Queen Street	Lichfield	WS13 6QD	Freehold
15327	Queens Head	Swan Bank	Talke	ST7 1PS	Freehold
3801	Queens Head	Wolverley	Kidderminster	DY11 5XB	Freehold
40028	Queens Head Hotel	Ty Croes	Anglesoy	LL63 5RW	Freehold
40014	Queens Head Inn	Chester Road	Pentre, Mold	CH7 1UQ	Freehold
15392	Queens Hotel	Belbroughton	Stourbridge	DY9 0DU	Freehold
40143	Queens Hotel	Station Road	Porthmadog	LL49 9HT	Freehold
40687	Ra[?]te Arms	59 Westgate	Almondbury, Huddersfield	HD5 8XF	Freehold
40689	Railway	34 Station Road	Marsden, Huddersfield	HD7 6DH	Freehold
40688	Railway	High Street	Ha[?]nd, Stoke On Trent	ST7 8AG	Freehold
7754	Railway	New Street	Cheltenham	GL50 3QL	Freehold
40256	Railway Hotel	1 Station Road	Parbold, Wigan	WN6 7NU	Freehold
15191	Railway Hotel	Chamwood Road	Shepshed	LE12 9NR	Freehold
15265	Railway Hotel	Station Road	[?]nckley	LE10 1AP	Freehold
90725	Railway Inn	39/41 Stamford Street	Altrincham	WA14 1DD	Freehold
15408	Railway Inn	Kidderminster Road	Droitwich	WR9 9AY	Freehold
90724	Railway Inn	Main Street	Shenstone	WS14 0LZ	Freehold
15614	Railway Inn	Malvem Wells	Malvom	WR14 4PA	Freehold
15176	Railway Inn	Wilne Road	Sawley, Nottingham	NG10 3AP	Freehold
40690	Railway Tavern	396 Westleigh Lane	Leigh	WN7 5PU	Long Leasehold
40251	Railway Tavern	Wigan Road	Euxton, Chorley	PR7 6LA	Freehold
9627	Rainbow & Dove	185 Charles Street	Leicester	LE1 1LA	Freehold
16254	Rampant Horse	Hall Road	Orchard Park Estate	HU6 9DT	Long Leasehold
16226	Rancliffe Arms	Loughborough Road	Bunny	NG11 6QT	Freehold
4345	Randlay Farmhouse	Randlay Centre	Telford	TF3 2LH	Freehold
40039	Raven Inn	341 Warrington Road	Glazebury, Warrington	WA3 5LA	Freehold
15383	Raven Inn	68 Broad Street	Brinklow, Rugby	CV23 0LN	Freehold
40115	Raven Inn	Swanlow Lane	Damhall, Winsford	CW7 4DX	Freehold
91522	Rayners	325 Hessele Road	Hull	HU3 4BL	Freehold
2537	Rectory	Grayswood Avenue	Coventry	CV5 8HJ	Freehold
8314	Red Barns Hotel	31 Kirkleatham Street	Redcar	TS10 1QH	Freehold
40213	Red Cat	353 Leigh Road	Hindley Green, Wigan	WN2 4XL	Freehold
3479	Red Dragon	Maesyrrhandir	Newtown	SY16 1LH	Freehold
91697	Red Hart	Stratford Road, Kington	Flyford Faval	WR7 4DD	Freehold
2349	Red Lion	11 Maengwyn Street	Machy[?]leth	SY20 8AA	Freehold
40201	Red Lion	170 Main Road	Brereton, Rugeley	WS15 1EB	Freehold
40226	Red Lion	266 Ruxley Road	Bucknall, Stoke On Trent	ST2 9BN	Freehold
15368	Rad Lion	Church Street	Sapcote	LE9 4FG	Freehold
5556	Red Lion	Cutworth	Banbury	OX17 2BD	Freehold
5558	Red Lion	Evenley	Brackley	NN13 5SH	Freehold
2750	Red Lion	Falsam Pitts	Droitwich	WR9 8AT	Freehold
40189	Red Lion	High Street	Bollington, Nr Macclesfield	SK10 5PF	Freehold
40968	Red Lion	High Street	Wellingore, Lincoln	LN5 0HW	Freehold
16088	Red Lion	High Street	Broughton	DN20 0HY	Freehold
15414	Red Lion	High Street, Ashboume Road	Rocester	ST14 5JU	Freehold
6917	Red Lion	Hockley	Birmingham	B16 8NG	Freehold
2350	Red Lion	Madeley	Telford	TF7 5LD	Freehold
15453	Red Lion	Main Road	Little Haywood	ST18 0TS	Freehold
16090	Red Lion	Main Street	Famsfield	NG22 8EY	Freehold
90748	Red Lion	Marchwiel	Wrexham	LL13 0PH	Freehold
40878	Red Lion	Marford Hill	Marford, Wrexham	LL12 8SN	Freehold
3954	Red Lion	Market Street	Rugeley	WS15 2JH	Freehold
5099	Red Lion	Moxley Road	Darfaston	WS10 7RL	Freehold
15220	Red Lion	Newbold Road	Barlestone Nuneaton	CV13 0DZ	Freehold
3654	Red Lion	Park Street	Watsall	WS1 1NW	Freehold
15418	Red Lion	St Annes Road	Great Malvern	WR14 4RQ	Freehold
40134	Red Lion	Trefegfwys	Powys	SY17 5PH	Freehold
3804	Red Lion	High Street	Bromsgrove	B61 8AQ	Freehold
40015	Red Lion Inn	15 Wrexham Street	Mold	CH7 1ET	Freehold
16089	Red Lion Inn	Church Street	Brinnington	S43 1JG	Freehold
40006	Red Lion Inn	Liverpool Road	Buckley	CH7 3LX	Freehold
40242	Red Lion Inn	Roman Road, Blacksnape	Darwen, Blackburn	BB3 3PN	Freehold
40301	Red Lion Inn	77 Main Road	Shirland, Alfreton	DE55 6BB	Freehold
41006	Red Rose	Lees New Road	Holts Village, Oldham	OL4 5PL	Freehold
4091	Reindeer	Main Road, Ombersley	Droitwich	WH9 0JG	Freehold
41020	Reindeer Inn	Penleys Grove Street	York	YO31 7PS	Freehold
15760	Retreat	Woodbury Lane	Norton	WB5 2PT	Freehold
40207	Ribble Lodge	199 - 201 Ribbleton Avenue	Ribbleton, Preston	PR2 6RD	Freehold

2541	Richmond	Market Place	Richmond	DL10 4QG	Long Leasehold
40692	Ring O Bells	17 Wells Street	Sandbach	CW11 1GT	Freehold
40215	Ring O Bells	80 Chorley Road	Boney Hay, Burnt wood	WS7 6NX	Freehold
3657	Ring O Bells	John Street	Willenhall	WV13 1PW	Freehold
41024	Ring O' Bells	37 Church Street	Swinton, Mexborough	S64 8EG	Freehold
41009	Rising Sun	182 Penlstone Road	Shelley, Huddersfield	HD8 8JB	Freehold
15469	Rising Sun	Station Road	Scholar Grcon	ST7 3JT	Freehold
2639	Riverside Lodge	Ravensworth Road	Dunston	NE11 9DN	Freehold
16298	Robin	Bellfield Avenue	Hull	HU8 0PY	Long Leasehold
41011	Robin Hood	10 Church Street	Altons, Normanton	WF6 2NJ	Freehold
40909	Robin Hood	316 Ford Green Road	Norton, Stoke On Trent	ST8 8LS	Freehold
15565	Robin Hood	Buglawton	Congleton	CW12 3PE	Freehold
40693	Robin Hood	Hartshill Road	Hartshill, Stoke On Trent	ST4 7NR	Freehold
15335	Robin Hood	London Road	Buxton	SK17 9NW	Freehold
2827	Robin Hood	Murton Lane	Shiremoor	NE27 0LR	Freehold
16011	Robin Hood	Rainworth	Mansfield	NG21 0AE	Freehold
16057	Robin Hood & Little John	Main Street	Lambley	NG4 4PP	Freehold
40300	Robin Hood Inn	1 Beverley Road	Middleton On The Wolds, Driffield	YO25 8UF	Freehold
16092	Rabin Hood Inn	Clipstone Road	Edwinstowe	NG21 9JA	Freehold
40830	Rock Inn	St Asaph Road	Lloc, Holywe[?]	CH8 8RY	Freehold
40159	Rocket	New Lane	Brightmet, Bolton	BL2 5BP	Freehold
91741	Roebuck Inn	Brimfield	Ludlow	SY8 4NE	Freehold
2533	Romping Cat	97 Elmore Green Road	Watsall	WS3 2HN	Freehold
3484	Rookery Tavern	Lanesfield	Wolverhampton	WV4 6LH	Freehold
40257	Ropers Arms	52 Wigan Road	Ormskirk	L39 2AU	Freehold
16039	Rose & Crown	11 Market Place	Oundle	PE8 4BA	Freehold
40096	Rose & Crown	440 New Street	Biddulph Moor, Stoke On Trent	ST8 7HZ	Freehold
40199	Rose & Crown	Main Road	Brailsford, Ashbourne	DE6 3DA	Freehold
16242	Rose & Crown	Market Place	Ho[?]sea	HU18 1AN	Freehold
91665	Rose & Crown	Severn Stoke	Worcester	WH8 9JA	Freehold
15417	Rose & Crown	Stanley Road	Stockton Brook, Stoke On Trent	ST9 9LL	Freehold
40244	Rose & Crown Inn	120 Southport Road	Uines Walton, Leyland	PH26 8LP	Freehold
40695	Rose And Crown	44 West Road	Congleton	CW12 4ES	Freehold
91689	Rose Cottage	124 North Parade	Matlock Bath	DE4 3NS	Freehold
16324	Rose Cottage	Old Rufford Road	Ollerton	NG22 8[?]JD	Freehold
15240	Rose Inn	Coton Road	Nuneaton	CV11 5TS	Freehold
9589	Rose Inn	Willington Quay	Wallsend	NE28 6TR	Freehold
40111	Rosehill Tavern	80 Church Hill	Wednesbury, Walsall	WS10 9DJ	Freehold
5316	Rosehill Tavern	Willington	Wallsend	NE28 7TB	Freehold
2828	Rosle Malones	Market Place	South Shields	NE33 1BH	Long Leasehold
8928	Rossmere	Owton Manor Lane	Hartlepool	TS25 3AX	Freehold
3813	Round or Beef	Colley Gate	Halesowen	B63 2DB	Freehold
4095	Royal Exchange	31 New Road	Kldderminster	DY10 1AF	Freehold
8116	Royal Exchange	High Street	Stockton	TS18 1BD	Freehold
40069	Royal Hotel	39 Bank Street	Golborne, Warrington	WA3 3SB	Freehold
16299	Royal Mail	Main Street	Thomgumbald	HU12 9NE	Freehold
40150	Royal Oak	11 Market Street	Chapel-En-Le-Frith, High Peak	SK23 0HH	Freehold
2364	Royal Oak	16 Fau[?]kner Street	Hoole	CH2 3BD	Freehold
41028	Royal Oak	42 Main Street	Paull, Hull	HU12 8EL	Freehold
40697	Royal Oak	70 Leicester Road	Loughborough	LE11 2AG	Freehold
2365	Royal Oak	8 Norton Lane, Great Wyrley	Walsall	WS6 6PE	Freehold
15541	Royal Oak	Broadwas on Te[?]e	Worcester	WR6 6NE	Freehold
40698	Royal Oak	Fennant Road	Ponclau, Wrexham	LL14 1HL	Freehold
40700	Royal Oak	Heathcote Road	Miles Green, Stoke On Trent	ST7 8LL	Freehold
40140	Royal Oak	High Street	Penrhyndeudraeth	LL48 6BL	Freehold
15427	Royal Oak	Leigh Sinton	Malvem	WR13 5DZ	Freehold
40699	Royal Oak	Litchfield Road	Kings Bromley, Burton-On-Trent	DE13 7H2	Freehold
40696	Royal Oak	Macclesfield Road	Rushton Spencer, Macclesfield	SK11 0SE	Freehold
15234	Royal Oak	Main Road	Long Bennington	NG23 5DJ	Freehold
4098	Royal Oak	Market Street	Tenbury Wells	WR15 8BQ	Freehold
2367	Royal Oak	Pattingham	Rudge Heath	WV6 7EE	Freehold
15332	Royal Oak	Princess Street	Bollington	SK10 8HZ	Freehold
40218	Royal Oak	Royal Oak Lane	Bedworth, Nuneaton	CV12 0JB	Freehold
6835	Royal Oak	Tettanhall Wood	Wolverhampton	WV6 8EJ	Freehold
16207	Royal Oak	The Green	Car Colston	NG13 8JE	Freehold
40265	Royal Oak Hotel	56 Wigan Road	Standish Lower Ground, Wigan	WN6 8LJ	Freehold
40072	Royal Oak Hotel	Buxton Road	High Lane, Stockport	SK6 8AY	Freehold
15377	Royal Red Gate	Watling Street	Fenny Drayton	CV10 0SB	Freehold
40250	Royal Soot	Station Road	Coppull, Chorley	PR7 4PZ	Freehold
40268	Running Horses Hotel	St James Road	Orrell, Wigan	WN5 7AA	Freehold
5247	Saddle Inn	Fulford Raad	York	YO10 4PJ	Freehold

4494	Samson Blewitt	Pye Green	Hednesford	WS12 4RT	Freehold
3664	Samuels	4 Market Street	Lichfield	WS13 6LH	Freehold
3665	Saracens Head	Stone Street	Dudley	DY1 1NJ	Freehold
40131	Sam Inn	Sam	Newtown	SY16 4EJ	Freehold
16052	Sawmill	Beacon Hill	Newark	NG24 2JG	Freehold
8125	Saxon	Easington Road	Hartlepool	TS24 9QU	Freehold
40313	Scotsmans Pack	School Lane	Hathersage, Nr Sheffield	S30 1BZ	Freehold
2368	Sea Lion	36/38 Russell Street	Leek	ST13 5JF	Freehold
8974	Seabirds	6 Fourtyfoot	Bridlington	YO16 7RX	Freehold
3666	Seventh Trap	Parry Barr	Birmingham	B42 1B2	Freehold
8925	Shakespeare	Catcote Road	Hartlepool	TS25 4HG	Freehold
5475	Shakespeare	Redditch Road	Studley	B80 7AX	Freehold
2771	Shakespeare	West Castle Street	Bridgnorth	WV16 4AD	Freehold
40264	Shamrock	134 Preston Road	Standish, Wigan	WN6 OHY	Freehold
40077	Shamrock	17 Bengal Street	Ancoats, Manchester	M4 6AQ	Freehold
15338	Shepherds Arms	Old Road	Whaley Bridge Stockport	SK23 7HR	Freehold
16210	Ship	Bullring	Homcastle	LN9 5HU	Freehold
16058	Ship	Church Street	Bawtry	ON10 6HT	Freehold
40034	Ship & Castle	9 - 11 Bangor Street	Caemarton	LL55 1AT	Freehold
40105	Ship Hotel	34 - 36 High Street	Bala	LL23 7AG	Freehold
40007	Ship Inn	275 High Street	Connahs Quay	CH5 4DJ	Freehold
16243	Ship Inn	Ann Watson Street	Hull	HU8 0BH	Freehold
40141	Ship Inn	Llanbed[?]g	Pw[?]jell	LL53 7PE	Freehold
16300	Ship Inn	Sewerby	Bridlington	YO15 1EW	Freehold
15092	Ship Launch	83 Garth Road	Bangor	LL57 2SW	Freehold
40220	Shoulder of Mutton	66 Birmingham Road	Rowley Regis	B65 9BA	Freehold
8156	Shoulder of Mutton	Easington Village	Peterlee	SR8 3AU	Freehold
40205	Showboat	3 Hall Street	Pendlebury, Manchester	M27 6FN	Freehold
4099	Six Ashes Inn	Six Ashes Road	Six Ashes, Nr Bridgenorth	WV15 6EJ	Freehold
40133	Skinnners Arms	14 Penrallt Street	Machynlleth	SY20 8AJ	Freehold
40307	Slip	156A Longwood Gate	Longwood, Huddersfield	HD3 4XF	Freehold
41017	Slip Inn	Clementhorpe	York	YO23 1AN	Freehold
8126	Smiths Arms	The Green	Billingham	TS23 1EW	Freehold
40287	Smithy Manor	Jub[?] Lane	Sutton Manor, St Helens	WA9 4BB	Freehold
91074	Smugglers	12-14 High Cliff Road	Cleethorpes	DN35 8RG	Freehold
3669	Sneyd	Bloxwich	Walsall	WS3 2LU	Freehold
15383	S[?]bstone New Inn	2 Belvolt Road	Coalville	LE67 3PE	Freehold
9860	Somerset House	241 New Marston Road	New Marston	OX3 0EN	Freehold
2743	Speed The Plough	Tibberton	Droitwich	WR9 7NQ	Freehold
40705	Spinners Arms	308 Liverpool Road	Eccles, Manchester	M30 0RY	Freehold
40057	Spinners Arms	649 Atherton Road	Hindley Green, Wigan	WN2 4SQ	Freehold
16027	Spital Hotel	Spital Lane	Chesterfield	S41 0HL	Freehold
5808	Sportman	Weston Park, Park Rise	Off Parks Way	LE3 6SG	Freehold
40042	Sportsmans Arms	1133 Chorley Old Road	Montserrat, Bolton	BL1 5SG	Freehold
8931	Spotted Cow	31 The Green	Elwick	TS27 3EF	Freehold
8938	Spread Eagle	39 High Street	Stokesley	TS9 5AD	Freehold
16096	Spread Eagle	Beetwell Street	Chesterfield	S40 1SH	Freehold
16244	Spread Eagle	Queen Street	Withemsea	HU19 2HA	Freehold
16301	Spring Bank Tavern	28 Springbank	Hull	HU3 1AF	Freehold
40893	Springfield	25 North Street	Swadilnecote, Burton-On-Trent	DE11 0AX	Freehold
40112	St George	Glascote Heath	Tamworth	B77 2ED	Long Leasehold
16302	St. Georges Hotel	St Georges Road	Hull	HU3 3QE	Freehold
16303	St. Johns Hotel	Queens Road	Hull	HU5 2PY	Freehold
40191	Staff Of Life	207 - 209 Worsley Road	Swinton, Manchester	M27 5SQ	Freehold
40971	Stafford Arms	Main Road	Ketty Bank, Telford	TF2 0DG	Freehold
5536	Stag & Pheasant	Newton	Rugby	CV23 0DY	Freehold
40136	Stag Hotel	Bridge Street	Dolgellau	LL40 1AU	Freehold
40240	Stag Hotel	Station Road	Garswood, Wigan	WN4 0SD	Freehold
40029	Stag Inn	High Street	Cemaes Bay	LL67 0EW	Freehold
3486	Stags Head	65 Church Hill	Wolverhampton	WV4 5JB	Freehold
15143	Stags Head	Great Hales Street	Market Drayton	TF9 1JP	Freehold
40082	Stags Head Inn	Junction Road	Deane, Bolton	BL3 4LT	Freehold
8157	Stainton	Stainton Village	Middlesbrough	TS8 9AZ	Freehold
40048	Stamford Arms	25 Stamford Street	Stalybridge	SK15 1JP	Freehold
15367	Stanley Arms Hotel	Macclesfield Forest	Macclesfield	SK11 0AR	Freehold
3898	Stanshaws Court	Yate	Bristol	BS37 4AE	Freehold
15200	Star Hotel	Watergate Street	Whitchurch	SY11 1DH	Freehold
15050	Star Inn	Flord Talargoch	Mellden, Prestatyn	LL19 8NP	Freehold
41008	Star Inn	High Street	Tideswell, Buxton	SK17 8LD	Freehold
16053	Star Inn	New Road	Stoney Stanton	LE9 4LQ	Freehold
90873	Station	Didsbury	Manchester	M20 2DN	Freehold
40200	Station Hotel	106 Derby Road	Loughborough	LE11 5AG	Freehold

40967	Station Hotel	4 Bridgegate	Howden, Goole	DN14 7AB	Freehold
40269	Station Hotel	95 Church Street	Orrell, Wigan	WN5 7AS	Freehold
3500	S[?]e	Fawdry Street	Whitmore Reans	WV1 4PB	Freehold
40280	Stork Hotel	Main Street	Bij[?]inge, Wigan	WN5 7HA	Freehold
3677	Struggling Monkey	Aldridge	Walsall	WS9 8BD	Freehold
3504	Summer House	Holyhead Road	Bonington, Altrington	WV7 3AT	Freehold
91604	Sun	13 West Bars	Chesterfield	S40 1AQ	Freehold
8160	Sun Inn	Front Street	Bedlington	NE22 5TJ	Freehold
81743	Sun Inn	High Street	Craven Arms	SY7 8JB	Freehold
9525	Sun Inn	Market Lane	Swalwell	NE16 3AL	Freehold
16026	Sunnydale	Brown Avenue	Mansfield Woodhouse	NG19 8HH	Freehold
15181	Sutherland Arms	Tibberton	Newport	TF10 8NN	Freehold
3825	Sutton Arms	Sutton Park Road	Kidderminster	DY11 6LE	Freehold
16245	Swallow	Minehaad Road	Bransholme	HU7 4AA	Long Leasehold
9349	Swan	171 Aylestone Hill	Hareford	HR1 1JJ	Freehold
40160	Swan	High Street	Rhewl, Mostyn	CH8 9QE	Freehold
3507	Swan	Lower Barr	Newport	TF10 7BQ	Freehold
16256	Swan & Cygnet	Main Street	Swanland	HU14 3QP	Freehold
7108	Swan & Railway	B0 Wallgate street	Wigan	WN1 1BA	Freehold
2372	Swan Inn	84 High Street	Bilston	WV14 0EZ	Freehold
15117	Swan Inn	Penybryn	Wrexham	LL13 7HY	Freehold
40119	Swan Inn	Swan Bank	Talke O Th Hill, Talke	ST7 1PS	Freehold
4104	Swan Inn	Whittington	Worcester	WR5 2RL	Freehold
3505	Swanbank Tavern	Bilston	Wolverhampton	WV14 0AG	Freehold
15231	Sycamores Inn	Windsor Street	Burbage	LE10 2EF	Freehold
15016	Tafam Pennionyn	Caemarfon Road	Groston	LL54 7DY	Freehold
4106	Talbot	19 High Street	Droitwich	WR9 8EJ	Freehold
40149	Talbot Inn	33 Walter Street	Newtown, Chester	CH1 3JG	Freehold
4107	Talbot Inn	87 Main Road	Kempsey	WR5 3JA	Freehold
4030	Talbot Inn	Lutterworth Road	G[?]morton	LE17 5PN	Freehold
15560	Talbot Inn	Newcastle Road	Market Drayton	TF9 1HW	Freehold
40083	Talbots Head	20/22 Shawlough Road	Rochdale	OL12 6LG	Long Leasehold
40157	Tallsman	Portway, Oatlands Road	Wythenshawe, Manchester	M22 1SL	Long Leasehold
41016	Tam O'Shantar	Lawrence Street	York	YO1 3BP	Freehold
40192	Tanners	168 Adelphi Street	Preston	PR1 7BH	Freehold
15423	Tavern	College Road	Donstone, Uttoxeter	ST14 5HR	Freehold
40901	Thirsty Scholar	Ashbourne Road	Friargate, Derby	DE1 1FP	Freehold
40224	Thomtree	59 Bretby Road	Swadlincote, Burton-On-Trent	DE11 0LL	Freehold
90907	Three Crowns	Manchester Street	Oldham	OL1 1LE	Freehold
40035	Three Crowns Inn	3 Wells Street	Bangor	LL57 1HB	Freehold
4109	Three Horseshoes	Alveley	Bridgnorth	WV15 6NB	Freehold
3683	Three Kilns	Rushey Mead	Leicester	LE4 7RP	Long Leasehold
16029	Three Lions	Nertherfield Lane	Meden Vale	NG20 9PA	Freehold
16100	Three Merry Lads	Main Road	Cutthorpe	S42 7AJ	Freehold
15465	Three Nuns	Powick	Worcester	WR2 4SB	Freehold
91524	Three Tuns	34 Bool[?]ferry Road	Hull	HU3 6ET	Freehold
40708	Thurston	Dividy Road	Bucknall Stoke On Trent	ST2 0AE	Long Leasehold
91693	Tickled Trout	33 - 35 Valley Road, Barlow	Dronfield	S18 7SL	Freehold
40709	Tiger Inn	232 Ashbourne Road	Tu[?]dtch Belper	DE56 2LH	Freehold
15110	Tiger Inn	Tamworth Road	Long Eaton	NG10 1BG	Freehold
40116	Tigers Head Inn	Pytchleys Hollow	Norley, Nr Warrington	WA6 8NT	Freehold
4458	Tittyard	Leyes Lane	Kenilworth	CV8 2DD	Long Leasehold
15013	Toad Hall Inn	West Promenade	Colwyn Bay	LL28 4BU	Freehold
16015	Top House	208 Stockwell Gate	Mansfield	NG18 5QE	Freehold
40078	Tratalgar	12 Manchester Old Road	Bury	BL9 0TB	Freehold
15171	Travellers Inn	Johnstown	Wrexham	LL14 2SH	Freehold
40712	Travellers Rest	Cheadle Road	Leekbrock Nr Leek	ST13 7DH	Freehold
3510	Travellers Rest	Great Bridge Road	Wolverhampton	WV14 8LG	Freehold
90925	Travellers Rest	Kings Mills Road	Wrexham	LL13 BNH	Freehold
16101	Travellers Rest	Milton Street	Swinton Rotherham	S64 8RQ	Freehold
16018	Travellers Rest	New Mill Road	Brockholes Nr Huddersfield	HD9 7AZ	Freehold
40711	Travellers Rest	Slaithwalte Road	Meltham, Huddersfield	HD7 3PW	Freehold
40152	Travellers Rest	Werrington Road	Bucknall, Stoke On Trent	ST2 9AW	Freehold
15419	Trident	Chase Road	Burntwood	WS7 0DX	Freehold
3511	True Briton	Wednesfield	Wolverhampton	WV11 2NP	Freehold
2831	Tudor Rose	Collingwood Terrace	Dunston	NE11 9DU	Freehold
15002	Turt Hotel	Mold Road	Wrexham	LL11 2AH	Freehold
3838	Turks Head	148 High Street	B[?]tey Hill	DY5 3BP	Freehold
2562	Turks Head	25 - 26 Lower High Street	Wednesbury	WS10 7AQ	Freehold
40714	Twthill Vaults	1 Thomas Street	Caemarfon	LL55 1PB	Freehold
90933	Ty Fry Inn	Ty Fry Lane Bodelwyddan	Rhyl	LL18 5TE	Freehold
3513	Unicom	Unicom Road	Oswestry	SY11 2BQ	Long Leasehold

40285	Union	37 Higher Ardwick	Ardwick, Manchester	M12 6DB	Freehold
80937	Union	Aylestone	Leicester	LE2 8LU	Freehold
15451	Union Hotel	Thistle Hill	Forest Moor	HG5 8JL	Freehold
40715	Union Inn	217 Caemarfion Road	Glanadda, Bangor	LL57 4SB	Freehold
40036	Union Inn	Garth Road	Bangor	LL57 2SF	Freehold
3687	United Kingdom	Shorth Heath	Willenhall	WV12 5PG	Freehold
3838	Vaga Tavern	Vaga Street	Hunderton	HR2 7AT	Freehold
16170	Vernon Arms	Waverley Street	Nottingham	NG7 4DY	Freehold
5108	Victoria	90 Walton Street	Oxford	OX2 6EB	Freehold
3640	Victoria	Maltmill Lane	Halesowen	B62 8JF	Freehold
40270	Victoria Hotel	2 Ormskrik Road	Upholland Skelmesdate	WN8 0AG	Freehold
18014	Victoria Hotel	Albert Street	Mansfield	NG1B 1EB	Freehold
41018	Victoria Vaults	47 - 49 Nunnery Lane	York	YO23 1AB	Freehold
40719	Vine Inn	80 Edgefield Road	Sandford Hill, Stoke On Trent	ST3 5DZ	Freehold
4035	Vine Inn	Bell Street	Darlaston	WS10 8EN	Freehold
3841	Vine Inn	Black Heath	Rowley Regis	B65 0DT	Freehold
40202	Vine Inn	Ludgate Street	Tutbury Burton-On-Trent	DE13 9NG	Freehold
40720	Vine Inn	Rope Lane	Shavington Nr Crewe	CW2 5DT	Freehold
40294	Volunteer Arms	Whitecross Street	Barton On Humber	DN18 5DF	Freehold
40214	Waggon & Horses	149 Ashbourne Road	Derby	DE22 3FW	Freehold
41022	Waggon & Horses	19 Lawrence Street	York	YO10 3BP	Freehold
16220	Waggon & Horses	36 Manthorpe Road	Grantham	NG31 8BZ	Freehold
6076	Waggon & Horses	Blacon	Chester	CH1 5PR	Long Leasehold
2569	Waggon & Horses	Cradley Forge	Quarry Bank	DY5 2AH	Freehold
3842	Waggon & Horses	Long Lane	Halesowen	B62 9EJ	Freehold
4150	Waggon & Horses Inn	Cradley Heath	Warley	B64 5JR	Freehold
15090	Waggon & Horses Inn	Griffydham	Griffydham	LE67 8HP	Freehold
15454	Waggon & Horses Inn	Newcastle Road	Congleton	CW12 4HB	Freehold
40721	Waggon And Horses	691 Dlvdy Road	Bucknall, Stoke On Trent	ST2 0AH	Freehold
40045	Waggon Inn	31 Butterworth Hall	Milnrow, Rochdale	OL16 3PE	Freehold
40729	Watmesley Arms	465 Warrington Road	Lower Ince, Wigan	WN3 4TQ	Long Leasehold
15360	Walsall Arms	Bank Street	Walsall	WS1 2EP	Freehold
90961	Weavers Arms	Derby Road	Hinckley	LE10 1QE	Freehold
40939	Welcome Tavern	73 Mill Lane	Belper	DE56 1LH	Freehold
40271	Wellington Hotel	37 Earle Street	Earlestown Newton Le Willows	WA12 9LW	Freehold
16030	Wellington Hotel	New Whittington	Chesterfield	S43 2AN	Freehold
15209	Wellington Inn	Egerton Street	Runcom	WA7 1LB	Freehold
2546	Wendover	Wendover Road	Wythanshaw	M23 9EG	Long Leasehold
16124	Wentworth Arms	Sheffield Road	Penistone	S36 6HG	Freehold
5804	Westcotes	48 Latimer Street	Leicester	LE3 0QE	Freehold
40194	Wharf	107 Brook Street	Macclesfield	SK11 7AW	Long Leasehold
40195	Wheatsheaf	30 Oak Street	Smithfield Estate Manchester	M4 5JE	Freehold
16334	Wheatsheaf	74 Newbold Village	Newbold	S41 8RS	Freehold
16329	Wheatsheaf	Geldard Road	Leeds	LS12 6DT	Freehold
7626	Wheatsheaf	High Street	Shrewsbury	SY1 1UU	Freehold
3967	Wheatsheaf Inn	61 Broadway	Sh[?]nal	TF11 8BB	Freehold
15132	Wheatsheaf Inn	Birch Lane	Duldnfield	SK16 4AJ	Freehold
15071	Wheatsheaf Inn	Chotwynd Aston	Newport	TF10 9LF	Freehold
8050	Wheatsheaf Inn	Field Road	Bloxwich	WS3 3JL	Freehold
90976	Wheatsheaf Inn	Gwersylit	Wrexham	LL 11 4AE	Freehold
15494	Wheatsheaf Inn	Henwick Road	Worcester	WR2 5PF	Freehold
3517	Wheatsheaf Inn	Shareshill	Wolverhampton	WV10 7LU	Freehold
3844	Wheatsheaf Inn	Tachbrook Road	Leamington Spa	CV31 3BE	Freehold
8161	White Bear	Southend	Bedale	DLB 2BJ	Freehold
16105	White Hart	22 Lawrence Road	North Wingfield	S42 5LH	Freehold
40801	White Hart	27 Churchgate	Loughborough	LE11 1UE	Freehold
3968	White Hart	66 Worcester Street	Wolverhampton	WV2 4LO	Freehold
15527	White Hart	Birch Road	Ellesmere	SY12 0ET	Freehold
16104	White Hart	Bridge Street	B[?]gg	DN20 8NS	Freehold
16215	White Hart	High Street	Metheringham	LN4 3DZ	Freehold
90992	White Hart	Sherrard Street	Melton Mowbray	LE13 1XJ	Freehold
91590	White Hart (F[?]lar Tucks)	Top Road	Calow	S44 5TE	Freehold
15276	White Hart Hotel	High Street	Alton	ST10 4AQ	Freehold
3701	White Horse	Leamore	Walsall	WS2 8JG	Freehold
3522	White Horse	New Horse Road	Cheslyn Hay	WS6 7AG	Freehold
5541	White Horse	Walgrave Road	Old	NN6 9QX	Freehold
40916	White Lion	195 Starkholmes Road	Starkholmes Matlock	DE4 5JA	Freehold
7854	White Lion	Astwood Bank	Redditch	B96 6AA	Freehold
3972	White Lion	Tal-y-Bont	Dyfed	SY24 5ER	Freehold
40137	White Lion	Trawstynydd	Blaenau Ffestiniog	LL41 4UB	Freehold
4774	White Swan	Bradford Street	Birmingham	B12 0QY	Freehold
16127	White Swan	Cheapside	Workshop	S80 2HY	Freehold

9247	White Swan	Greenside	Ryton	NE40 4SP	Freehold
16223	White Swan Inn	Delgton	York	Y019 6HA	Freehold
16308	Whittington & Cat	Commercial Road	Hull	HU1 2SA	Freehold
4286	Why Not	Essington	Wolverhampton	WV11 2RH	Freehold
3705	W[?]gginton Public House	W[?]gg[?]nton Road	Tamworth	B79 8TA	Freehold
3706	William Webb Ellis	22 Warwick Street	Rugby	CV21 3DN	Freehold
40725	Wilsons Arms	215 Huddersfield Road, Battyeford	Mirfield Huddersfield	WF14 9DL	Freehold
40080	Windmill	440 Manchester Road	Sudden, Rochda[?]e	OL11 4PE	Long Leasehold
16060	Winning Post	Glascote	Tamworth	B77 3EW	Freehold
91632	Witch and Wardrobe	21 Waterside North	Lincoln	LN2 5DO	Freehold
2586	Wonder	Dudley Road West	Tividale	B69 2HZ	Freehold
15219	Woodcock Inn	Newmarket Road	Taunton Ashton Under Lyne	OL7 9JD	Freehold
16023	Wooden Walls of Old England	25 High Street	Collingtree	NN4 0NE	Freehold
40293	Woolpack	37 Westwood Road	Beverley	HU17 8EN	Freehold
2404	Wrekin View	Milners Lane, Dawley Bank	Telford	TF4 2JH	Freehold
3524	Wrens Nest	Wrens Nest Lane	Telford	TF1 5HJ	Freehold
15330	Wyandotte Hotel	Stoneleigh Road	Kenilworth	CV8 2GE	Freehold
16339	Xtra (Gainsborough)	25 Lord Street	Gainsborough	DN21 2DO	Freehold
15163	Y Pentan	Now Street	Mold	CH7 1NY	Freehold
40123	Y Tal	Railway Road	Bry[?]bo Nr Wrexham	LL11 5EA	Freehold
40727	Y-Bedol Inn	Conwy Road	Tal-Y-Bont Conwy	LL32 8QF	Freehold
90615	Ye Olde Kings Arms	High Street	Congleton	CW12 1BN	Freehold
16224	Ye Olde Oak Inn	Low Lath	Summerbridge	HG3 4BU	Freehold
40245	Ya Olde Original Withy Trees	157 Station Road	Bamber Bridge, Preston	PR5 6LA	Freehold
40683	Ye Olde Pack Horse	Pack Horse Road	Kings Newton, Melbourne	DE73 1BZ	Freehold
16032	Ye Olde Ramme Inne	34 Church Street	Mansfield	NG18 1AE	Freehold
9631	Ye Olde Red Lion	Market Bosworth	Nuneaton	CV13 0LL	Freehold
15121	Yew Tree Inn	The Green	Gresford, Wroxham	LL12 8RF	Freehold
40043	York Hotel	114 Newport Street	Bolton	BL3 6AB	Long Leasehold

## THE MANAGED ESTATES

Ref	Property	Address			Tenure
5342	Abbey Meads	Abbey Meads Village	Swindon	SN25 4YX	Freehold
91539	Abbey Vaults	James Street	Selby	YO8 4PY	Freehold
8649	Acorn	Cambourne Drive	Nuneaton	CV11 6GU	Freehold
91582	Acorn	Hatfield Lane	Doncaster	DN3 3HB	Freehold
91566	Adam and Eve	Amersall Road	Doncaster	DN5 9PQ	Freehold
91651	Altisidora	Main Street/York Road	Beverley	HU17 8QF	Freehold
3529	Anchor Inn	Chester Road	Brownhills	WS8 6DP	Freehold
90024	Anglesey Arms	Bearwood Hill Road	Burton On Trent	DE15 0JW	Freehold
91655	Apollo	1082 Ho[?]derness High Road	Hull	HU8 7NA	Freehold
3383	Apple Tree Inn	5 Central Drive	Bilston	WV14 8EW	Freehold
5667	Ash Tree	Armitage Road	Rugeley	WS15 1PF	Freehold
3384	Ashmore Inn	Griffiths Drive	Wolverhampton	WV11 2LJ	Freehold
91611	Auctioneers	10 - 12 Market Square	Northampton	NN1 2DL	Freehold
0661	Avenue	227 Bristol Road	Gloucester	GL1 5TH	Freehold
5100	Balley's Court Inn	Balley's Court Road	Bristol	BS32 8BH	Freehold
7357	Bandon Arms	Mill Street	Bridgnorth	WV15 5AG	Freehold
205	Bear & Staff	861 Bristol Road	Birmingham	629 6ND	Freehold
3391	Bell Inn	Newport Road	Tong (Nr. Shitnal)	TF11 8PS	Freehold
90055	Bellringer	Berryhill	Stoke-On-Trent	ST2 9ND	Freehold
8127	Benton Ale Mouse	Front Street	Newcastle	NE7 7XE	Freehold
91652	Biamitz	George Street	Hull	HU1 3BA	Freehold
90058	Blggin Hall	214 Blntey Road	Coventry	CV3 1HG	Freehold
90086	Black Swan	12 Shoepmarket	Leek	ST13 5HW	Freehold
3727	Blackpole Inn	Blackpole Road	Worcester	WR3 8SQ	Freehold
90091	Blacksmiths Arms	64 Wakefield Road	Wakefield	WF4 4DS	Freehold
3540	Blake Bam	40 Shelly Drive	Sutton Coldfield	B74 4YE	Freehold
9824	Block & Tackle	Blackthorne Way	Ashington	NB63 8LX	Freehold
4050	Blue Brick	153 Dudley Road	Briertey Hill	DY5 1HG	Freehold
90095	Bluebell Inn	4 Gualford Road	Malvem	WR14 3QP	Freehold
5596	Boundary Stone	Bridgewater Road	Greater Manchester	M28 1AD	Freehold
9633	Bradgate Arms	Station Road	Leicester	LE7 7HD	Freehold
9434	Brave Old Oak	Watling Street	Towcester	NN12 7BT	Freehold
5448	Bridge at Gamston	Raddiffe Road	Nottingham	NG2 6NR	Freehold
91548	Bridge Inn	Makoney Road	Belper	DE56 4BG	Freehold
3396	Bridge Inn	Toagues Bridge	Telford	TF2 8RJ	Freehold
3731	Brinton Arms	75 Bowdley Road	Stourport-On-Seven	DY13 8XX	Freehold
91633	Broad way	Dewsbury Road	Leeds	LS11 5LD	Freehold
90124	Broughton Arms	Rhode Heath	Stoke-On-Trent	ST7 3RU	Freehold

3399	Bull Hotel	Wolverhampton Road	Wolverhampton	WV8 1PU	Freehold
3739	Bulls Head	Birchfield Lane	Warley	B69 1AQ	Freehold
90142	Bulls Head	Wilsthorpe Road	Breaston	DE72 3EA	Freehold
3400	Bulls Vaults	Hassell Street	Newcastle	ST5 1AD	Freehold
81705	Bure Farm	Banbury Road	Bicester	OX26 3HA	Freehold
8109	Burn Inn	Hetton Road	Houghton Le Spring	DH5 8JN	Freehold
3883	Burnt Oak	Egerton Gate	Milton Keynes	MK5 7HH	Freehold
91545	Burnt Stump	Burnt Stump Hill	Nottingham	NG5 8PQ	Freehold
31024	Cambridge Hotel	Mulberry Street	Liverpool	L7 7EE	Freehold
2036	Carlton Tavem	140 Acomb Road	York	YO24 4HA	Freehold
90151	Carters Arms	367 Northenden Road	Manchester	M33 2PG	Freehold
3403	Castle Inn	Wood End Road	Wolverhampton	WV11 1NW	Freehold
801.59	Catchems	Heathcote Road	Swadlincote	DE11 8DU	Freehold
8110	Chapel Park Hotel	Chapel Park Shopping Centre	Newcastle	NE5 1TE	Freehold
3405	Chase	Hagley Road	Rugeley	WS15 2AW	Freehold
91615	Chequered Flag	Lark Rise	Brackley	NN13 6JR	Freehold
91070	Chequers Country Inn	Main Street	Lutterworth	LE17 5BT	Freehold
31030	Cherry Gardens Hotel	283 Wigan Lane	Wigan	WN1 2NT	Freehold
3615	Chestnut	Brade Drive	Coventry	CV2 2BN	Freehold
31003	Childwall Abbey Hotel	Childwall Abbey Road	Liverpool	L16 5EY	Freehold
91634	City Vaults	33 Hustlergate	Bradford	BD1 1NS	Freehold
3407	Claregate	34 Codsall Road	Wolverhampton	WV6 9ED	Freehold
3408	Clarendon Hotel	38 Chapel Ash	Wolverhampton	WN3 0TN	Freehold
4609	Clock Tower	Cirencester Road	Chettenham	GL53 8EG	Long Leasehold
91549	Clock Warehouse	Greater London Road	Derby	DE72 2GL	Freehold
90175	Coach & Horses	The Nook	Anstey	LE7 7AT	Freehold
1288	Coach House	Herbert Road	Solihull	B91 3QE	Long Leasehold
3746	Cobham Arms	Howtey Grange Road	Halesowen	B62 0HG	Freehold
91616	Cock	2 Harborough Road	Northampton	NN2 7AZ	Freehold
286	Cock Crow Inn	Mill Lane	Hebun	NE31 2EY	Freehold
3747	Cock of Tupsley	Ledbury Road	Hereford	HR1 1UT	Freehold
91568	Coopers Arms	127 Leeming Lane North	Mansfield	NG19 9HR	Freehold
6507	Copt Oak	Hardwicke Road	Lelcester	LE19 3LU	Freehold
31084	Coracle Inn	Sundome Road	Shrewsbury	SY1 4RR	Freehold
90186	Comer House	454 Nuneaton Road	Nuneaton	CV12 9SB	Freehold
91540	Comer Pln	Tanner Row	York	YO1 8JB	Freehold
8111	Coronation Inn	Acklam Road	Middlesbrough	TS5 8AY	Freehold
91569	Cotes Park Inn	Nottingham Road	Altreton	DE55 4HQ	Freehold
209	Courtyard	St Nicholas Street	Worcester	WR1 4EZ	Freehold
90191	Crewe & Harpur	Swarkestone	Derbyshire	DE73 1JA	Freehold
91653	Crooked Billet	2 Ings Road	Hull	HU8 0SA	Freehold
90200	Cross Foxes	1 Meliden Road	Prestatyn	LL19 9SB	Freehold
3583	Crown	196 Watling Street	Brownhills	WS8 7JU	Freehold
4066	Crown	21 Malvem Road	Worcester	WR4 2LE	Freehold
2662	Crown	Worcester Road	Droitwich	WR9 7PF	Freehold
8142	Crown & Anchor	High Street	Redcar	TS10 5DH	Freehold
31048	Crown a Liver	The Highway	Ewloe, Hawarden	CH5 3DN	Freehold
3409	Crown Hotel	High Street	Albrighton	WV7 3JA	Freehold
3411	Crown Inn	Codsall Wood	Wolverhampton	WV8 1QR	Freehold
5287	Crown Inn	115 Longden Road	Shrewsbury	SY3 7DX	Freehold
8955	Crown Tavem	8 Scalby Road	Scarborough	YO12 4QB	Freehold
3567	Crows Nest	Crowhill Road	Nuneaton	CV11 6PJ	Freehold
90218	Cunli[?]e Arms	Jeffreys Road	Wrexham	LL12 7PG	Freehold
4427	Cwrt Rawlin	Cym Farm	Caerphilly	CF83 1SN	Freehold
31022	Disraelis 1	26 Church Street	Ormskirk	L39 3AN	Freehold
31080	Disraelis 2	2/2a Doncaster Gate	Rotherham	S65 1DJ	Freehold
31081	Disraelis 3	3 Victoria Square	Worksop	SB0 1DX	Freehold
[?]0229	Dog & Duck	Greater London Road	Shardlow	DE72 2GR	Freehold
80230	Dog & Partridge	Medlock Road	Manchester	M35 9NP	Freehold
91654	Duke of Cumberland	High Street	North Ferriby	HU14 3JP	Freehold
8145	Durham Ox	102 High Street	Northallerton	DL7 9LX	Freehold
31042	Eagle & Child	30 Church Road	Leyland	PR5 2AA	Freehold
8113	Eagle Inn	Durham Lane	Eaglesc[?]iffe (Nr. Stockton)	TS16 0NA	Freehold
5594	Eaton Farm	Wilsthorpe Road	Long Eaton	NG10 4AW	Freehold
31047	Egerton Arms	Whitchurch Road	Broxton	CH3 9JW	Freehold
7851	Eight Rights	East Countess Way	Chester	CH1 2DA	Freehold
5986	Eight Towers	Weates Close	Widnes	WA8 3RH	Freehold
81515	Endyke Hotel	Endyke Lane	Hull	HU6 8AQ	Freehold
9878	Enlgma Tavern	Princes Way	Milton Keynes	MK2 2EN	Freehold
3755	Fairfield	Fairfield Road	Halesowen	B62 8JA	Freehold
91589	Fairways Inn	Birtey Lane	Sheffield	S12 3BP	Freehold
5629	Farmer John's	Aldridge Road	Sutton Coldfield	B74 2DX	Freehold

90272	Forrers Arms	Lount (Nr Ashby De La Zouch	Leicester	LE65 1SD	Freehold
81516	Ferry Inn	Station Road	Hull	HU15 1DY	Freehold
90273	Flordd Derwen	201 Rhuddlan Road	Rhyl	LL18 2RH	Freehold
7308	Flynnon Wen	Thomhill Road	Cardiff	CF14 8UA	Freehold
91618	Fiddler's	130 Wellingborough Road	Northampton	NN1 4DR	Freehold
3426	Fiery Holes Inn	Great Bridge Road	Moxley	WV14 8NG	Freehold
3427	Firs Inn	Windmill Lane	Wolverhampton	WV3 8HG	Freehold
8758	Floater's Mill	Woodstone Village	Fencehouses	DH4 6BQ	Freehold
90279	Flying Childers	Klrby Bellars (Nr Melton Mowbray	Leicester	LE14 2DU	Freehold
7803	Four In Hand	108 Pallatine Road	Manchester	M20 3ZA	Freehold
91550	Fox Inn	11a The Square	Nuneaton	CV11 4JY	Freehold
3820	Gables	Trentham Road	Stoke-On-Trent	ST3 3DS	Freehold
90322	Gate Inn	Onbaston (Nr Ibstock)	Warwickshire	CV13 0HS	Freehold
90328	Gate Inn	Amington (Nr Tamworth)	Staffordshire	B77 3BY	Freehold
3889	George Hotel	High Street	Melton Mowbray	LE13 0TR	Freehold
3762	Gigmill	South Road	Stourbridge	DY8 3UL	Freehold
91551	Glen Parva Manor	The Ford	Leicester	LE2 9TL	Freehold
4513	Golden Lion	Austin Road	Bromsgrove	B60 3PB	Freehold
81657	Goodfellowship	Cottingham Road	Hull	HU5 4AT	Freehold
3765	Goodrest Tavern	Barker Street	Worcester	WR3 8NP	Freehold
3590	Gospel Oak	1 Gospel Oak Road	Tipton	DY4 0BT	Freehold
3591	Gough Arma	Jowetts Lane	West Bramwich	B71 2QR	Freehold
91517	Green Dragon	Cowgate	Hull	HU15 1NB	Freehold
31040	Green Lodge Hotel	2 Stanley Road	Hoylake	L47 1HW	Long Leasehold
6927	Greenside	Stockton Road	Hartlepool	TS25 5BQ	Freehold
3766	Greyhound	168 Norton Road	Stourbridge	DY8 2TA	Freehold
4293	Greyhound Inn	Greyhound Gardens	Gloucester	GL2 0XH	Freehold
90357	Greyhound Inn	Main Road	Higham Village	DE55 6EF	Freehold
90362	Griffin Inn	Ashby Square	Loughborough	LE11 5AA	Freehold
7966	Griffin Inn	Coventry Road	Nuneaton	CV10 7PJ	Freehold
3767	Gristmill	Chesterton Drive	Leamington Spa	CV31 1YJ	Freehold
3768	Grosvenor Arms	21 Henwick Road	Worcester	WR2 5NP	Freehold
91593	Grouse and Claret	Station Road	Matlock	DE4 2EB	Freehold
3442	Gunmakers Arms	Trysull Road	Wolverhampton	WV3 7JR	Freehold
3788	Hadcroft	Grange Lane	Lye	DY9 7DX	Freehold
1963	Hallgate Tavern	125 - 127 Hallgate	Hull	HU16 4DA	Freehold
3444	Harrowby Arms	Patsull Avenue/Harrowby Road	Wolverhampton	WV10 6RQ	Freehold
91620	Heart of England	High Street	Northampton	NN7 4QD	Freehold
91518	Highway	Willerby Road	Hull	HU5 5LH	Freehold
3446	Highwayman	Shrewsbury Road	Oswestry	SY11 2RT	Freehold
3599	Hilly House	Himley Road	Dudley	DY1 2QH	Freehold
91638	Hitching Post	54 Leeds Road	Bradford	BD10 9SX	Freehold
91542	Hole In The Wall	High Petergate	York	YO1 7EH	Freehold
91594	Hollingswood Hotel	Private Drive	Chesterfield	S43 2LG	Freehold
3447	Holly Bush Inn	494 Penn Road	Wolverhampton	WV4 4HU	Freehold
3448	Holmcroft	Holmcroft Road	Stafford	ST16 1JB	Freehold
31008	Holts Arms	Crank Road	Billinge	WN5 7DT	Freehold
3600	Homestead	Stroud Avenue	Willenhall	WV12 4DA	Freehold
6878	Hopwood House	Redditch Road	Birmingham	B48 7AB	Freehold
90404	Horn & Trumpet	Angel Street	Worcester	WR1 3QT	Freehold
90413	Horse Shoe Inn	Main Street	Burton On Trent	DE13 9SD	Freehold
91603	Howard	Howard Street	Sheffield	S1 2LW	Freehold
897	Jacksons Wharf	The Highlight	Hartlepool	7S24 0XN	Freehold
4046	Johnny Pye	Pye Road	Heswall	L60 0DB	Freehold
5375	Jonty Farmer	Kedlestone Road	Derby	DE22 1FT	Freehold
3742	Jug & Jester	13 Bath Street	Leamington Spa	CV31 3AF	Freehold
3620	Keeper's Lodge	1 Fletcher Mall	Leicester	LE4 1DF	Long Leasehold
91595	Kimberworth Park	Oaks Lane	Rotherham	S61 3AX	Freehold
3611	Kings Arms	10 Toll End Road	Tipton	DY4 0HP	Freehold
90443	Kings Arms	Derby Road	Hatharn (Nr. Loughborough)	LE12 5LD	Freehold
6639	Kings Comer	Morley Road	Derby	DE21 4TD	Freehold
91520	Kings Head	38 Saturday Market Place	Beverley	HU17 9AH	Freehold
90454	Kings Head	Market Place	Buxton	SK17 6EJ	Freehold
91621	Kings Head	Nottingham Street	Leicester	LE13 1NW	Freehold
5385	Kings Highway	Kingsway	Derby	DE22 3LY	Freehold
3776	Land Oak	Birmingham Road	Kidderminster	DY10 2SA	Freehold
4314	Lifford Curve	Fordhouse Lane	Birmingham	B30 3AG	Freehold
5438	Limekiln	Camberley Road	Nottingham	NG6 8GE	Freehold
91622	Lincolnshire Poacher	Bunkers Hill	Lincoln	LN2 4QT	Freehold
91573	Ling Forest Inn	Eakring Road	Mansfield	NG18 3ED	Freehold
91658	Linnet and Lark	30 - 32 Princess Avenue	Hull	HU5 3QA	Freehold
91623	Lion and Snake	79 Bailgate	Lincoln	LN1 3AR	Freehold

91054	Lockkeeper	Sandy Lane	Worksop	S80 1TJ	Freehold
3619	Longwood	Deer Park Road	Tamworth	B76 3QP	Freehold
3724	Loom & Shuttle	149 Stourport Road	Kidderminster	DY11 7BW	Freehold
91596	Maceys	7 Peel Street	Bamsley	S70 2QT	Freehold
91067	Mackworth Hotel	Ashbourne Road	Derby	DE22 4LY	Freehold
90493	Malt Shovel	The Wharf	Shardlow	DE72 2HG	Freehold
31016	Manor Farm	Mill Lane	Rainhill, Prescott	L35 6NE	Freehold
91575	Mapplewells Inn	Alfreton Road	Sutton-in-Ashfield	NG17 1HU	Freehold
90500	Marquis of Granby	Penkhull	Stoke-On-Trent	ST4 7LA	Freehold
8525	Meadow Farm	Dagnell End Lane	Redditch	B98 9BJ	Long Leasehold
31082	Menai	Craig Y Don Road	Bangor	LL57 2BG	Freehold
3459	Merry Boys Inn	Willenhall Road	Wolverhampton	WV1 2JA	Freehold
90515	Midway Inn	Burton Road	Burton On Trent	DE11 7ND	Freehold
5386	Milestone	12 Peak Mount	Sheffield	S20 7PH	Lang Leasehold
3623	Milestone	130 Essington Road	Willenhall	WV12 5DT	Freehold
2801	Milestone at Hinckley	Stoke Road	Hinckley	LE10 3EA	Long Leasehold
90524	Mitre Oak	Crossways Green	Hartlebury	DY13 9SG	Freehold
3463	Moreton Arms	Springfield Lane	Wolverhampton	WV10 6NT	Freehold
91641	Mustard Pot	20 Stainbeck Lane	Leeds	LS7 3QY	Freehold
2094	Myton House Farm	Ingleby Way	Stockton-On-Tees	TS17 0WB	Freehold
91625	Navigation	Bridge Road	Towcester	NN12 7SB	Freehold
90552	New Bridge Inn	Chellaston Road	Shelton Lock	DE24 9EF	Freehold
2751	New Crown Hotel	Mowbray Road	South Shields	NE33 3NG	Freehold
90554	New Flinney Gardens	Bucknall Road	Stoke-On-Trent	ST1 6AJ	Freehold
90571	New Inn	Little Eaton	Derbyshire	DE21 5DR	Freehold
6934	New Inn	74 Vivian Road	Birmingham	B17 0DJ	Freehold
3783	New Inn	Ombersley Road	Worcester	WR3 7DH	Freehold
3466	New Inn	Station Road	Wombourne	WV5 9EY	Freehold
3634	Noahs Ark Inn	Clarkes Lane	Willenhall	WV13 1JB	Freehold
90592	Norton Grange	Evesham Road	Norton (Nr. Evesham)	WR11 4TL	Freehold
4674	Oak Apple	Spetchley Road	Worcester	WR5 2NL	Freehold
433	Observatory	Beckett Road	Weston Super Mare	BS22 7TA	Long Leasehold
3469	Oddfellows Hall	Compton Road	Wolverhampton	WV6 8AA	Freehold
7171	Old College Inn	Barry Road	Barry	CF62 8EH	Freehold
90610	Old Custom House Inn	Watergate Street	Chester	CH1 2LB	Freehold
91642	Old Hall	1 Back Lane	Leeds	LS28 5EU	Freehold
2796	Old Hall Farm	Kinsey Road	Ellesmere Port	CH65 9JY	Long Leasehold
3637	Old House at Home	Norton Road	Walsall	WS3 4NT	Freehold
4450	Old Irish Harp	Chester Road	Aldridge	WS9 0LP	Freehold
5274	Old Mill	Crewe Road	Stoke-On-Trent	ST7 2UB	Freehold
90619	Old Millstone Hotel	Water Green	Macclesfield	SK11 6JZ	Freehold
31083	Old Pint Pot	Adelphi Street	Salford	M3 6EM	Freehold
5394	Old Plough	Westerns Way	Bristol	BS15 9RR	Freehold
90879	Old Sun Inn	33 High Street	Buxton	SK17 6HA	Freehold
6647	Old Vicarage	123 Enderby Road	Leicester	LE8 6JH	Freehold
31088	Old Volunteer	Silver Street	Doncaster	DN1 1JL	Freehold
5936	Old Wirral Hundred	A41 Backford Cross	Ellesmere Port	CH66 2BY	Freehold
5469	One Man & His Dog	Tumberry Road	Walsall	WS3 3UA	Freehold
3793	Park Gate Inn	Stourbridge Road	Kidderminster	DY10 3PT	Freehold
9326	Park House	Pytchley Road	Kettering	NN15 6XE	Freehold
4331	Parkway Tavern	43 North Road	Bristol	BS34 8PB	Freehold
1357	Pavillon	229 Alcester Road South	Birmingham	B14 6DT	Freehold
90645	Peacock Inn	42 Wenlock Road	Shrewsbury	SY2 6JS	Freehold
6772	Pepper Pot	6 Burchester Place	Banbury	OX16 3WT	Freehold
3794	Pillar of Salt	Celevestune Way	Droitwich	WR9 8UA	Freehold
7114	Plas Coch	Plas Coch Road	Wrexham	LL11 2BW	Freehold
91626	Plough	393 Newark Road	Lincoln	LN6 8RJ	Freehold
3643	Plough & Harrow	Stade Road	Sutton Coldfield	875 5PF	Freehold
90661	Plough Inn	Chester Road	Nr. Wrexham	LL12 9NE	Freehold
31015	Plough Inn	Aston Road	Clwyd	CH5 1TJ	Freehold
2318	Poachers- Chirk	Gledrid	Wrexham	LL14 5DG	Freehold
4164	Poachers - Pensnett	32 Chase Road	Dudley	DY5 4TS	Freehold
4805	Poachers - Rednal	Rosehill Roundabout	Birmingham	B45 8UX	Freehold
2480	Poachers - Walsall Wood	Lichfield Road	Walsall Wood	WS9 9AJ	Freehold
2560	Poachers - Whickham	Market Lane	Gateshead	NE18 4TJ	Freehold
1231	Poachers - Worcester	Tolladlne Road	Wamdon	WR4 9UP	Freehold
3795	Portobello Inn	Bransford Road	Worcester	WR2 4EZ	Freehold
90674	Potters Bar	Lysander Road	Stoke-On-Trent	ST3 7TW	Long Leasehold
8122	Poverina Inn	45 High Street	Middlesbrough	TS6 0LB	Freehold
3798	Prince Albert	High Street	Kingswinford	DY6 0HB	Freehold
91521	Priory Inn	121 Priory Road	Hull	HU5 5RY	Freehold
91827	Queen Of Hearts	Wimboumo Place	Daventry	NN11 5XY	Freehold

91661	Queens Head	14 St Augusline Gate	Hull	HU12 8EX	Freehold
91662	Queens Hotel	Queens Road	Hull	HU5 2RG	Freehold
3650	Railway	Btoxwich Road	Walsall	WS3 3UY	Freehold
91577	Ravensdale Hotel	Sherwood Hall Road	Mansfield	NG18 2DX	Freehold
37	Red Hawk	Brough Shopping Park	Brough	HU15 1AF	Freehold
1281	Red Lion	130 Godstow Road	Wolvercote	OX2 8PG	Freehold
31013	Red Lion	9 Ashbrow	Newburgh Village. Penfold	WN8 7NF	Freehold
90756	Red Lion Hotel	Wilmslow Road	Manchester	M20 4BT	Freehold
7458	Ribble Pilot	Mariners Way	Preston	PR2 2YN	Long Leasehold
9590	Rifleman's	42 Regent Street	Swindon	SN1 1JL	Freehold
31060	Rising Sun	Brownhills	Walsall	WSB 7JR	Freehold
91050	Riverside Inn	Warrington Road	Northwich	CW8 3QD	Freehold
3483	Roebuck	Penn Road	Wolverhampton	WV4 4DE	Freehold
90787	Rose & Crown	Swarkestone Road	Chellaston	DE73 1UA	Freehold
9353	Round Oak	Ounsdale Road	Wolverhampton	WV5 8BU	Freehold
171	Royal Charter	Western Gables Way	Hull	HU8 9EQ	Freehold
90809	Royal Oak	729 Wilmslow Road	Manchester	M20 6WF	Freehold
3659	Royal Oak	New Street	Willenhall	WV13 3TJ	Freehold
3960	Royal Oak Inn	Compton Road	Wolverhampton	WV3 9OZ	Freehold
91576	Rufford (LSB)	335 Chesterfield Road South	Mansfield	NG19 7ES	Freehold
91629	Rutland Arms	13 - 15 Bamby Gate	Newark	NG24 1PX	Freehold
3660	Saddlers Arms	Fishley lane	Walsall	WS3 3PS	Freehold
9859	Seacourt Bridge Inn	West Way	Oxford	OX2 0JB	Freehold
90818	Sebright Arms	158 Greater London Road	Worcester	WR5 23J	Freehold
3491	Seven Stars	Gospel End Road	Sedgley	DY3 3LT	Freehold
7115	Seven Woods	Westbrook Crescent	Warrington	WA5 8TE	Freehold
9251	Severn Gorge	Southwater Way	Telford	TF3 4NL	Freehold
1481	Shambles	10 -12 Bell Street	Leicester	LE17 4DW	Freehold
91579	Sir John Cockle	Sutton Road	Mansfield	NG18 5EU	Freehold
4385	Sparking Clog	Radcliffe Moor Road	Bury	M26 3WY	Freehold
3671	Sportsman	245 St Marks Road	Tipton	DY4 0SZ	Freehold
91571	Sportsman	Arnthorpe Road	Doncaster	DN2 5QB	Freehold
3495	Spread Eagle Inn	156 Broad Lane South	Wolverhampton	WV11 3SD	Freehold
9156	Springbrook	Stockport Road	Warrington	WA4 2WA	Freehold
187	Springfield	Salters Lane South	Darlington	DL1 2RD	Freehold
5670	Stag & Hounds	Bristol Road	Churchill	BS25 5NJ	Freehold
7528	Star	21 Stafford Road	Stone	ST15 0DB	Freehold
3822	Station	85 Worcester Road	Stourbridge	DY9 0NG	Freehold
91547	Strutts	73 Greater London Road	Derby	DE1 2QS	Freehold
4987	Summernouse (Mile)	Parkway	Weston Super Mare	BS22 6WE	Freehold
3824	Sun	Bromsgrove Road	Halesowen	B62 OLA	Freehold
91581	Sun Inn	York Road	Doncaster	DN5 8RN	Freehold
7467	Swan	Stourbridge Road	Fairfield (Nr. Bromsgrove)	B61 8NG	Freehold
3827	Swan Hotel	Stream Road	Kingswinford	DY3 4AN	Freehold
90884	Swan Inn	Martin Hussingtree	Nr. Worcester	WR3 8TE	Freehold
3508	Swan Inn	Bridgnorth Road	Wolverhampton	WV8 8AE	Freehold
91602	Tabbard, Rotherham	Herringthorpe Valley Road	Rotherham	S65 3BA	Freehold
31011	Tap	(formerly Pier Bar)	Ferry Road, Eastham	CH62 OAU	Freehold
91605	Thomtree Hotel	Market Place	Ripley	DE5 3HA	Freehold
3831	Three Crowns & Sugar Loaf	1 Wolverley Road	Kidderminster	DY11 5JN	Freehold
91583	Three Legged Stool	Raymoth Lane	Worksop	S81 7DY	Freehold
91675	Three Tuns	Coppergate	York	YO1 9NH	Freehold
5268	Timber Dock	Pilmsoll Way	Hull	HU9 1PW	Freehold
4321	Tin Hat	Trent Road	Leicester	LE10 0YA	Freehold
4326	Tollgate	Seymore Grove	Manchester	M16 0LN	Freehold
5481	Town Crier	Corporation Stree	Coventry	CV1 1PB	Long Leasehold
91669	Trad Post - Chesterfield	Loundsley Green Road	Chesterfield	S40 4RN	Freehold
91512	Trad Post - Cleethorpes	Humberstone Road	Cleethorpes	ON36 4AH	Freehold
91671	Trad Post - Mansfield	Nottingham Road	Mansfield	NG18 4SN	Freehold
91672	Trad Post - Wakefield	Wakefield Road	Wakefield	WF4 5HJ	Freehold
91584	Trivellers Rest	Huthwaite Road	Sutton-In-Ashfield	NG17 2GX	Freehold
5395	Trigger Pond	Lingley Green Avenue	Warrington	WA5 3LD	Freehold
8129	Turks Head Inn	21 Bondgate	Darlington	DL3 7JG	Freehold
3685	Tumpike	Rynkild Street	Lichfield	WS14 9XU	Long Leasehold
91585	Unicom Hotel	Gunthorpe Bridge	Nottingham	NG14 7FB	Freehold
90938	Union Inn	Stockwell Head	Hinckley	LE10 1RE	Freehold
90839	Union Vaults	16 High Street	Nantwich	CW5 5AH	Freehold
91656	Victoria	Victoria Barracks	Beverly	HU17 8PJ	Freehold
5396	Village	179 Alcester Road	Birmingham	B13 8JH	Freehold
3861	Vine Hotel	Salter Street	Stafford	ST16 2JU	Freehold
90952	Virgin Tavern	Tolladine Road	Worcester	WR4 9BA	Freehold
8887	Voyager	The Avenue	Gulsborough	TS14 8DN	Freehold

31049	Waggon & Horses	170 Charley Road	Westhoughton	BLS 3PN	Freehold
3515	Waggon & Horses Inn	Bridgnorth Road	Wombourne	WV5 0AQ	Freehold
3885	Warton Arms	Hull Road	Beverley	HU17 0PN	Freehold
3718	Weavers's Arms	Bristol Road	Gloucester	GL2 6PE	Freehold
31012	Welcome Inn	321 Vicarage Lane	Marion	FY4 4LP	Freehold
2391	Wheatsheaf	1 High Street	Sandbach	CW11 1AG	Freehold
91586	Wheatsheaf Hotel	47 Stockwell Gate	Mansfield	NG18 1LA	Freehold
91607	Wheatsheaf Hotel, Baslow	Nether Road	Baslow	DE45 1SR	Freehold
91525	Wheatsheaf Inn	2 Packman Lane	Kirk Ella (Hull)	HU10 7TL	Freehold
3518	Wheatsheaf Inn	Market Street	Wolverhampton	WV1 3AE	Freehold
31029	White Bear	Mancot Lane	Mancot, Deeside	CH5 2AH	Freehold
90989	White Hart Inn	Market Stroot	Ashby De La Zouch	LE65 1AP	Freehold
3520	White Hart Inn	Wolverhampton Road	Cannock	WS11 1AP	Freehold
91608	White Lion Inn, Ripley	Market Place	Ripley	DE5 3BR	Freehold
91670	White Post	Ollerton Road	Newark	NG22 8HN	Freehold
91010	White Swan	Main Street	Walton-On-Trent	DE12 8LZ	Freehold
31010	White Swan Inn	Old Chester Road	Great Sutton, Ellesmere Port	CH66 3NZ	Freehold
6718	Whittington Inn	Whittington	Kinver	DY7 6NY	Freehold
4908	Winding Wheel	Hayes Way	Cannock	WS11 2YT	Long Leasehold
91020	Wolferstan Arms	Main Road	Shuttington (Nr. Tamworth)	B79 0EA	Freehold
91023	Woodcocks	Burton Lane End	Lincoln	LN1 2BE	Freehold
3707	Woodman	45 Saltwells Road	Dudley	DY2 0BP	Freehold
91175	Woolpack Inn	The Green	Weston (Nr. Stafford)	ST18 0JH	Freehold
3525	Wrottesley Arms	Severn Drive	Wolverhampton	WV6 7QU	Long Leasehold
3526	Wych Elm	Bridge Cross Road	Burntwood	WS7 8BU	Freehold
91565	Xtra	Dalkeith House	Kettering	NN16 0BS	Freehold
9171	Ye Olde Black Cross	70 Worcester Road	Bromsgrove	B61 7AG	Freehold
91728	Ye Olde Saracens Head	Balsall Street	Coventry	CV7 7AS	Freehold

## 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 over 60,000 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 2003, the annual sales of the United Kingdom pub sector were of the order of £22 billion. It is estimated that nearly 16 million people visit a pub every week in the United Kingdom.

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 12,000 managed pubs, 30,000 leased and tenanted pubs and 19,000 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 are typically more dependent than managed pubs on the sale of draught beer.

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

By volume, sales of all beer in the United Kingdom rose by 0.9 per cent. from 1998 to 2002. However, the on-trade saw its share of sales fall as aggressive pricing from retailers has encouraged more people to buy their beer more cheaply in supermarkets. Whilst off-trade beer prices have fallen by 12.2 per cent. in real terms since 2000, on-trade prices have increased by 2.0 per cent. in real terms. In 2003, the on-trade accounted for just over 60 per cent. of the total beer market.

According to the liquor licensing statistics issued by the Department for Culture, Media and Sport in 2004, the number of pubs, bars, clubs and restaurants has risen by 3 per cent. since the last publication in 2001, but has fallen by around 1.5 per cent. since 2003; 350 licences were revoked in the 12 months to June 2004, 270 of which were on-licences. At present, each pub in the Securitisation Group has the benefit of a full on-licence and there are no pubs which are trading in respect of which a licence has been revoked.

The United Kingdom pub sector is influenced by trends for both eating out and drinking out. Eating out in pubs has become increasingly popular. Nearly 15 per cent. of adults now eat a meal in a pub in an average week. The pub food market is now worth at least £5 billion per year. 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 18-24 year olds (who are a key consumer group for the drinking out market) is forecast to grow by eight 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 six per cent;
- *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 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* – sales of alcohol in pubs are rising (broadly in line with inflation) and there are continued shifts in demand in the beverages sector, with declining sales of draught beer in pubs being offset by sales growth in wine, premium packaged spirits, bottled lagers and soft drinks;
- *competition* – the increased number of sites and higher levels of investment over the last six to seven years has led to supply outgrowing demand. This, together with the increased price sensitivity of consumers, as well as the rising levels of home consumption (partly due to the widening gap between the on-trade and off-trade price of alcohol), has resulted in an overall increase in competition;
- *reduction in industry capital expenditure* – there has been a significant shift in pub ownership from vertically integrated national brewers to independent pub companies, contributing to a reduction in the overall levels of capital expenditure in the industry; and
- *regulation* – the licensing reform in England and Wales (which may result in longer opening hours for existing pubs and restrict the granting of new licences, particularly in residential areas), changes in employment legislation (including the level of the national

minimum wage), other regulation relevant to the business of the Securitisation Group and property taxation. 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 has, however, 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 implemented.

### ***Competition Law***

All vertical agreements, including tenancy agreements which contain supply arrangements, are 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 will be 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 W&DB’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 England and Wales is a highly regulated industry governed by the licensing system. The law covers premises where alcohol is sold such as pubs, off licences, restaurants, hotels and supermarkets. The current law governing the sale of alcohol in England and Wales is the Licensing Act 1964. To sell alcohol for consumption on the premises a pub requires an “on-licence” granted under the act. The on-licence is generally held in the name of the licensee who is the person running the premises. The licensee has to attend a local magistrates court and satisfy the justices that he or she is a fit and proper person to hold such a licence. Other types of licence that may be granted by the Justices are “special hours” certificates which extend the permitted hours for the sale of alcohol where the sales are ancillary to music and dancing and the availability of food and “supper hours” certificates to extend the permitted hours for the sale of alcohol by one hour where the sale of alcohol is ancillary to a substantial table meal. AWP’s are subject to a permit granted by the Justices. Local authorities grant “public entertainment licenses” to allow music, dancing and some live performances. On-licences are currently granted for three years and can be revoked at any time if the licensee fails to abide by the law, including violation of the law or any regulation relating to the minimum age of patrons or employees.

The alcohol-licensing regime in England and Wales is about to change. The transition process started on 7 February, 2005 and is expected to be completed by 24 November, 2005. The act embodying the changes is the Licensing Reform Act 2003. The key changes being brought about by the new act are:

- all liquor licensing is being transferred from local magistrates courts to local authorities. There is, however a right of appeal to the magistrates court. The main effect of this will be to increase scrutiny on how pubs operate from the local authority itself, the police, the fire authorities, the child protection agencies and local residents;
- there will be greater flexibility with regard to pub opening hours with relaxation on closing times. This will bring England and Wales more into line with Europe. This relaxation should be modestly turnover enhancing where there is a demand for later hours drinking albeit with some extra cost;
- there will be two licences, the “premises licence” and the “personal licence” a situation long desired by the pub industry. Problems with an individual will no longer jeopardise the status of premises as pubs. However, the local authority will have a number of sanctions they can take against an irresponsible pub operator; and
- the premises licence lasts until revoked or surrendered. The personal licence lasts for ten years. It is expected that the dual system of licensing will lead to some savings to the pub industry as against the present system.

### ***Drink Driving***

The European Commission recommended in the “White Paper on European transport policy for 2010: time to decide” of October 2002 that all countries in the EU adopt the same drink and drive limit of 0.5mg/ml blood alcohol concentration. It recommends that a lower level of 0.2mg/ml be adopted for younger and inexperienced drivers. The Government has also carried out a consultation exercise concerning the legal blood alcohol limit for drivers. On the basis of such exercise, the Government is examining whether it should lower the legal blood alcohol limit from its current level. There are currently no formal proposals for any such changes to be incorporated into legislation, although they may be the subject of future 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 and who are not willing to designate a driver who will refrain from drinking alcohol. Any future legislation in this area could affect trading in the Securitisation Group’s rural and suburban pub sites.

### ***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 W&DB 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 opt out has been challenged by the European Parliament which has voted to abolish it within three years. This matter will be continue to be under review as moves to abolish the opt out are likely to be blocked when the matter comes before the European Parliament.

In addition, 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.

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 and to £4.85 in 2004 and which it has been announced will increase to £5.05 in October 2005. 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 “Investment Considerations - 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**”) is currently under discussion in the retail industry relating to the regulation of noise in the workplace. 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 recently 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. It is expected that the Government will need to put regulations in place in relation to this Directive within the next five years. A small number of the Securitisation Group’s pubs that play loud music and have other live entertainment could be affected by the proposed change in the law, but noise levels in the vast majority of the pubs would fall below the revised limit.

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

On 16 November, 2004, the United Kingdom Government published its White Paper which set out the Department of Health’s proposals in relation to smoking in public places, including pubs, in England and Wales. It is proposed that restrictions on smoking are to be phased in over a period of four years including an outright ban on smoking in restaurants and pubs serving food (other than snacks such as crisps).

There is currently a charter on smoking in public places such as restaurants and pubs, which has been agreed between the Department of Health and leading hospitality industry groups (the “Charter”). This Charter, though not law, is supported by the Government who asked the licensed leisure industry to ensure that 50 per cent. of licensed premises were compliant with it by December 2002, and that 35 per cent. of those have either ‘no smoking’ areas or adequate mechanical ventilation.

The Securitisation Group’s pub estate is in compliance with the Government’s request in respect of the Charter. As part of its support for the Charter, management is taking steps on behalf of the Securitisation Group to ensure that:

- investment schemes include requirements regarding Charter compliance;
- all new sites will be signed up to the Charter; and
- management and tenancy training courses will cover the principles of the Charter.

Pathfinder Pubs, the managed house division of W&DB, has already invested significantly in outside trading areas - mainly on patios and gardens - and will extend this investment programme over the next two years to the remainder of their pubs (which equates to approximately 80 per cent.) which have substantial outside trading areas. Pathfinder Pubs are

opening more smoke-free pubs, and are currently introducing a policy that will see smoking at the bar prohibited in all of their managed pubs by the end of 2005. In addition, W&DB intend to reduce the amount of floor space available for smoking to less than 20 per cent. by the end of 2008.

The Union Pub Company, the trading division that runs the tenanted and leased estate of W&DB, are encouraging their tenants and lessees to adopt similar changes so that across their pub estates they are prepared for the challenges and opportunities presented by the Charter.

### ***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 W&DB and its subsidiaries (including Trading and the Initial Borrower), reference is made to the W&DB Group. The term W&DB 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 document.*

### Overview

The W&DB Group is a UK operator of managed and tenanted pubs and a brewing division. Its pub estate (the “Estate”) as at 2 April, 2005 comprised 2,147 sites spread throughout the UK. As at 2 April, 2005 the book value of the assets of the W&DB Group (excluding intangible and current assets) was £1,417.6 million. The W&DB Group generated EBITDA of £76.3 million and operating profits of £57.4 million on revenues of £277.6 million in the 26 weeks ending 2 April, 2005.

### Brief History

The W&DB Group has been brewing beer and operating pubs for over 100 years. It was formed in 1890 by an amalgamation of three local businesses, Banks and Company (who had been brewing at Park Brewery, Wolverhampton since 1875), George Thompson and Sons of The Dudley and Victoria Breweries, Dudley, and Charles Colonel Smith’s brewery at the Fox Brewery, Wolverhampton.

More recent acquisitions have included Marston, Thompson & Evershed, plc in 1999 (904 pubs), Mansfield Brewery plc in 1999 (513 pubs), Wizard Inns Limited in 2004 (63 pubs), Burtonwood PLC in 2005 (460 pubs) and Jennings Brothers plc in 2005 (128 pubs).

These acquisitions have resulted in a high quality estate with a strong geographical presence in the Midlands and the North of England. Around 97 per cent. of the estate, by value, is freehold/long leasehold enabling good management of property costs. Approximately 90 per cent. of the estate comprises community or neighbourhood pubs and is recognised as one of the highest quality estates in the industry. The Securitisation Estate comprises 100 per cent. freehold/long leasehold properties, is well-invested and 26 per cent. are now let on contemporary long-term assignable leases. The estate benefits from a number of trading formats which allows the W&DB Group to target a variety of customers.

### Group Structure

W&DB is the ultimate parent company within the W&DB Group. The W&DB Group has recently restructured in order to facilitate the transactions to be entered into in connection with the Securitisation. The current structure of the W&DB Group is shown in the section entitled “*Corporate Structure of the W&DB Group as at the Closing Date*” above.

W&DB holds the entire issued share capital of, amongst other companies, each of the Securitisation Group Parent and Trading. The Securitisation Group Parent is the intermediate

holding company of the Initial Borrower. Outside the Securitisation Group the W&DB Group operates a brewing and retailing business.

The Initial Borrower will enter into the IP Licences with W&DB, Marston, Thompson & Evershed Limited (*MTE*) and Mansfield Brewery Trading Limited (*MBTL*) in respect of intellectual property rights and will also enter into the other Services Agreements with Trading 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 W&DB Group is committed to the development of a high quality estate. In order to achieve this development, the W&DB Group continually refines its operations to meet its customers’ changing demands and adapts to developments in market structures. The W&DB 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 W&DB Group operates an integrated business, which enables it to deploy expertise and investment capital effectively within the W&DB Group, and is an important component of the historic consistent growth it has achieved.

The W&DB 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 W&DB 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**

Trading is currently structured into three integrated trading divisions:

“Pathfinder Pubs” (which operates its managed pubs), “The Union Pub Company” (which operates its tenanted and leased pubs) and “WDB Brands” (which operates its brewing and brands business).

### ***Pathfinder Pubs***

This is the managed house division of W&DB, operating the pubs run under direct management, of which approximately 96 per cent. of the Managed Securitisation Estate (84 per cent. of the total managed estate) are community or neighbourhood pubs. Interim results for the 26 weeks to 2 April, 2005 showed turnover rising by 19.2 per cent. to £143.5 million. The trading profit also increased by 15.7 per cent. to £27.2 million. There was a fall in trading margin of 0.5 percentage points to 19.0 per cent

The Securitisation Estate contains 354 managed pubs, 24 of which have come from the managed estate purchased from Burtonwood PLC in January 2005.

Pathfinder Pubs has 6 market segments, of which 5 are included within the Securitisation Estate:

#### *Bostin' Locals*

There were 107 Bostin' Locals in the Pathfinder estate as at 2 April, 2005. These are large community based modern locals in dominant locations offering excellent value for both drink and food. There are 95 such pubs in the Securitisation Estate.

#### *Service That Suits*

There were 31 Service That Suits pubs in the Pathfinder estate as at 2 April, 2005. These are large destination food pubs situated primarily on arterial routes where outstanding service is the main focus. There are 24 such pubs in the Securitisation Estate.

#### *Great Food Pubs*

There were 94 Great Food Pubs in the Pathfinder estate as at 2 April, 2005 being pubs characterised by attractive locations, large gardens with patios and individuality of style. There are 76 such pubs in the Securitisation Estate.

#### *Town Centre*

There were 59 Town Centre pubs and bars in the Pathfinder estate as at 2 April, 2005. These are mainly freehold sites with little exposure to the over-invested city centre circuits. There are 14 such pubs in the Securitisation Estate.

#### *Traditional Locals*

There were 219 community pubs in the Pathfinder estate as at 2 April, 2005 enjoying a regular local customer base with emphasis on sporting events and teams rather than food. There are 145 such pubs in the Securitisation Estate.

#### *Pitcher & Piano*

There were 27 Pitcher & Piano bars in the Pathfinder estate as at 2 April, 2005. These are mainly leasehold, city centre bars. None of these are included within the Securitisation Estate.

#### ***The Union Pub Company***

This is the trading division that runs the tenanted and leased estate and as with Pathfinder Pubs the majority of these are community or neighbourhood pubs. Its business has been strengthened through a programme of acquisitions including, more recently, Burtonwood PLC and Jennings Brothers plc and by significant and targeted capital investment. All new tenancy and lease agreements have been awarded the Plain English Campaign "crystal mark". Interim results for the 26 weeks to 2 April, 2005 showed turnover increased by 10.1 per cent. to £62.4 million and

trading profit by 10.7 per cent. to £26.9 million. The trading margin improved by 0.2 percentage points to 43.1 per cent. This division has a strong, effective policy of working to attract the most suitable licensees. There are 1,238 tenanted and leased pubs in the Securitisation Estate.

As at 2 April, 2005 The Union Pub Company's policy was to grant 4 forms of permanent lease agreements. These can be summarised as follows:

#### *Open House Lease*

This has a term of 21 years with, except as discussed below, annual upwards only rent review by reference to the retail price index with a cap on increases of 5 per cent. over the life of the lease. The tenant cannot assign during the first two years of the term, but after that, assignment of the whole lease is permitted with W&DB's consent. The lease is fully tied in relation to all drinks products supplied by W&DB. The lease can be terminated if the tenant becomes insolvent or is disqualified from holding any pub licences.

#### *Open House Plus Lease*

This has the same terms as the Open House lease except that the rent comprises two elements, the property rent and the discount rent. The property rent is based on the open market value of the property at the time of the grant of the lease. The discount rent is based on the estimated fair maintainable volume relating to that property (as agreed between the parties at the outset of the lease) multiplied by the discount available to the tenant for the various products it will be purchasing from the landlord. The discounts are identified in a schedule attached to the lease. This gives an aggregate value of the discounts available to the tenant annually, and the tenant pays this as the discount rent irrespective of the amount of products purchased and discount earned.

#### *Pathway Tenancy*

This has a term of three years with the tenant having the option to renew the lease by giving three months notice before the end of the contractual term. The rent for the term is fixed and there is no review during the term of the tenancy. The lease cannot be assigned and has the same tie and forfeiture provisions as the Open House lease.

#### *Pathway Plus Tenancy*

This has the same terms as the Pathway lease except the rent is structured and reviewed in the same way as the Open House Plus lease (there is a discount rent in addition to the property rent).

The Union Pub Company also grants 2 forms of temporary licence agreements. These are generally used to allow tenants to occupy pubs pending completion of an Open House or Pathway lease or for temporary tenants whilst a replacement full-time tenant is found. These can be summarised as follows:

#### *Square Deal*

This is a short-term agreement used to introduce tenants to the premises or with temporary tenants while a replacement tenant is found. Rent is expressed as a weekly sum and there is no rent review. This cannot be assigned and can be terminated by either party at any time.

### *Square Deal Plus*

This has the same terms as the Square Deal lease except the rent is structured in the same way as the Open House Plus lease (there is a discount rent in addition to the property rent).

The Union Pub Company's policy has been to review rents upwards or downwards as individual circumstances dictate. The current lease documents will be amended in the near future to reflect this policy. All current permanent and temporary agreements will be amended in the near future to reflect reforms in licensing legislation.

All the current forms of permanent agreements allow for the partial or full release of tie agreements for drinks and amusement machines. For a small number of Open House leases The Union Pub Company has agreed a partial release of the drinks tie to allow wines or minerals or spirits to be purchased by lessees from a source other than The Union Pub Company.

The Union Pub Company is currently considering whether to offer the Pathway leases on flexible terms of between 3 and 6 years, with annual rent increases in line with the retail price index.

The six forms of agreement summarised above account for 61 per cent. of the tenanted/leased Securitised Estate. The other 9 per cent. represent less commonly used agreements which The Union Pub Company aim to move across on to one of their permanent standard agreements over time. There are four other common forms of agreement accounting for a further 30 per cent. of the Securitised Estate. These are The Union Pub Company BBA 2000 3 year tenancy and the Burtonwood 1, 3 and 6 year tenancies.

The Burtonwood 1 & 3 year tenancy agreements are contracted out of Landlord and Tenant Act 1954 protection and will be phased out as they expire. The BBA 2000 and Burtonwood 6 year tenancy agreements are protected by Landlord and Tenant Act 1954 and tenants are entitled to seek renewal on the same terms. In such circumstance, if agreement cannot be reached with the tenants to take one of the current forms of agreement then the existing form of agreement will be renewed.

The recently acquired Jennings Brothers plc pub estate is 76 per cent. let on 10-20 year assignable agreements with a beer and cider tie.

### ***WDB Brands***

Interim results for the 26 weeks to 2 April, 2005 showed an increase in turnover of 5.5 per cent. to £59.9 million. There was also an increase in trading profit by 1.1 per cent to £9.2 million. There was a fall in the trading margin of 0.6 percentage points to 15.4 per cent.

The popular appeal of the W&DB Group's brands is demonstrated by the fact that 68 per cent. of the beer brewed is sold through external channels, which are the independent free trade, on-trade national accounts, take home trade and export markets. Conversely, W&DB Group's pubs only

account for 32 per cent. of its own brewed beer volumes. This amounts to less than 33 per cent. of the total drinks volume sold by W&DB's tenanted pubs and less than 18 per cent. of the total drinks volume sold by W&DB's managed pubs.

### Organisational Structure

The Securitisation Estate will consist of two trading divisions; the tenanted estate and the managed estate. Management services for each of these divisions will be provided by Trading (see the section entitled "*Services Agreements*" below).

### Geographical Analysis

The table below illustrates the percentage regional spread of the Estate as at 2 April, 2005:

	<b>Distribution by No of Pubs per cent.</b>	<b>Distribution by EBITDA per cent</b>
East Anglia	1.3	2.7
East Midlands	17.8	18.3
London	2.3	4.4
North East	5.0	5.3
North West	17.1	14.6
South East	0.3	0.4
South West	0.9	2.1
Wales	5.1	3.7
West Midlands	31.5	31.5
Yorkshire	18.7	17.0
	100.0	100.0

## The Securitisation Estate

The following table sets out the number of sites of the entire W&DB Group's pub estate and those being transferred into the Securitisation Estate by trading division and by market segment (for the managed pubs)/tenancy and lease agreement (for the tenanted/leased pubs) as at 2 April, 2005.

<b>Trading Division</b>	<b>Market Segment/ Tenancy and lease agreement</b>	<b>W&amp;DB Group Estate at 2 April, 2005</b>	<b>Securitisation Estate</b>	<b>Securitisation Estate per cent.</b>	
<b>Pathfinder Pubs (Managed)</b>	Bostin' Locals	107	95	6	
	Service That Suits	31	24	2	
	Great Food Pubs	94	76	5	
	Town Centre	59	14	1	
	Traditional Locals	219	145	9	
	Pitcher & Piano	27	0	0	
<b>The Union Pub Company (Tenanted/Leased)</b>	Open House Lease	232	184	12	
	Open House Plus Lease	236	197	12	
	Pathway Tenancy	298	212	13	
	Pathway Plus Tenancy	22	16	1	
	Square Deal	211	136	9	
	Square Deal Plus	16	12	1	
	BBA 2000 3 year Tenancy	65	53	3	
	Burtonwood 1 year Tenancy	205	178	11	
	Burtonwood 3 year Tenancy	39	35	2	
	Burtonwood 6 year Tenancy	118	109	7	
	Others:				
	10 year plus lease	42	35	2	
	3-10 years tenancy	49	33	2	
	Temporary	77	38	2	
	<b>Total</b>		<b>2,147</b>	<b>1,592</b>	<b>100</b>

Note: The acquisition of Jennings Brothers plc, which completed on 20 May, 2005 is excluded from the table above.

## Services Agreements

W&DB, MTE and MBTL own the intellectual property used for the operation of the W&DB Group's activities.

All employees are employed by a wholly-owned subsidiary of W&DB: Trading. Trading is responsible for all employment costs (including payment of salary and contractual benefits, tax and national insurance) for its employees. The Initial Borrower shall enter 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 with, as appropriate, W&DB, MTE, MBTL and Trading.

### **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 profits and third party liability.

### **Pensions**

The W&DB Group contributes to three defined benefit pension schemes in respect of certain existing employees. Each such scheme is closed to new employees. As at 31 March, 2005, these schemes were in deficit on an ongoing funding basis in the estimated aggregate amount of £66 million and by £72 million on an FRS 17 accounting basis. The W&DB Group currently contributes into the W&DB Scheme at the rate of 14 per cent. of pensionable salary in respect of current service and 18 per cent. in respect of past service. The W&DB Group also contributes into the Burtonwood Scheme at the rate of 9.3 per cent. of pensionable salary for Category A and 6.5 per cent. of pensionable salary for Category B members in respect of future service and 12.9 per cent. and 10.9 per cent. of pensionable salary for Category A and Category B respectively in respect of past service. The W&DB Group also contributes to the Jennings Scheme at a rate of 15.8 per cent. of pensionable salary in respect of future service and 39.5 per cent. in respect of past service.

New employees who join the W&DB Group are offered membership of a Group Personal Pension Plan which is a defined contribution arrangement. Provided that the employee contributes 3.5 per cent. of their pensionable salary into the plan the employer contributes an additional 7 per cent. of the member's pensionable salary into this plan. The W&DB Group also operates a separate Group Personal Pension Plan for employees in the Burtonwood group of companies. Provided that the employee contributes 4 per cent. of their pensionable salary into the plan the employer contributes an additional 9 per cent. of the member's pensionable salary into this plan. The W&DB Group also operates a separate Group Personal Pension Plan for employees in the Jennings group of companies. The employer contributes a variable amount (in the range 5 per cent. to 12.5 per cent.) of member's pensionable salary depending on the member's age. The W&DB Group has a number of funded unapproved retirement benefit schemes ("FURBS") in place for senior management. These are all defined contribution schemes.

### **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.

## **CORPORATE REORGANISATION**

In order to facilitate the entry into the transaction, W&DB has incorporated and subscribed for shares in the Securitisation Group Parent, which has in turn incorporated and acquired shares in the Initial Borrower.

On the Closing Date, (i) the Covenantors (excluding W&DB) and MTE (in relation to certain legal titles held in respect of certain of the Mortgaged Properties only) will transfer certain of their properties, associated assets and trade (excluding their employees) to W&DB and (j) W&DB will then transfer certain of its properties, associated assets and trade (excluding its employees) to the Initial Borrower (i.e. the assets comprising the Securitisation Estate).

## MANAGEMENT

The management of the W&DB Group includes well-known and experienced names in the pub industry. Brief backgrounds of management are set out below.

### **Directors**

#### **Ralph Findlay FCA - Chief Executive**

Ralph Findlay, age 44, is Chief Executive of W&DB. He joined W&DB in 1994 as Financial Controller and was appointed to the Board as Finance Director in 1996. He became Chief Executive in 2001. Prior to joining W&DB he worked with Bass as treasury manager from 1990 to 1992 and Geest as group chief accountant from 1992 to 1994.

#### **Paul Inglett FCMA - Finance Director**

Paul Inglett, age 38, joined W&DB in 1992 on the acquisition of Camerons. He has held a number of finance positions within the W&DB Group prior to being appointed to the Board as Finance Director in 2002.

#### **Derek Andrew MBE - Managing Director, Pathfinder Pubs**

Derek Andrew, age 49, joined W&DB in 1980 as a trainee area manager and has held a number of sales and marketing roles within the W&DB Group before being appointed Managing Director of The Camerons Brewery Company on its acquisition in 1992 until 1997. In 1994 he was appointed to the Board.

#### **Alistair Darby - Managing Director, WDB Brands**

Alistair Darby, age 38, joined W&DB in 1997 and has worked in a variety of positions within the W&DB Group including Sales Director and Managing Director of The Camerons Brewery Company from 1998 to 2000. Prior to joining the W&DB Group Alistair worked with Mars Confectionery and United Distillers in a number of operational roles. In 2003 he was appointed to the Board.

#### **Stephen Oliver FBII - Managing Director, The Union Pub Company**

Stephen Oliver, age 47, joined W&DB in 1999 on the acquisition of Marston, Thompson & Evershed, plc and was appointed to the Board in 2001 as Managing Director of The Union Pub Company. Stephen has considerable experience in the pub sector having spent 10 years with Scottish & Newcastle prior to joining Marston's in 1995. Stephen is also a fellow of the British Institute of Innkeeping.

## SUMMARY DETAILS OF KEY MEMBER COMPANIES OF THE W&DB GROUP

### Companies within the Securitisation Group

#### *The Securitisation Group*

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

### Companies outside the Securitisation Group

#### *W&DB*

The Wolverhampton & Dudley Breweries, PLC is a public limited company incorporated in England and Wales with company number 00031461 and whose registered office is P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY. It is the holding company of all other companies which form the W&DB Group and is listed on the London Stock Exchange. W&DB owns certain intellectual property used within the W&DB Group. W&DB is not a member of the Securitisation Group nor is it a party to any of the Transaction Documents (other than the Tax Deed of Covenant, the Borrower Deed of Charge, the Initial Borrower Subordinated Loan Agreement, the W&DB Security Deed and the IP Licence Agreement). As at 2 April, 2005 the issued share capital of W&DB was £22.7 million. W&DB 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.

#### *Trading*

Wolverhampton & Dudley Breweries (Trading) Limited is a private limited company incorporated in England and Wales with company number 00040590 and whose registered office is P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY. Trading operates the W&DB Group’s brewing business and managed and tenanted estate outside the Securitisation Group. Trading is not a member of the Securitisation Group. It will be party to certain of the Transaction Documents in its various capacities. The issued share capital of Trading is £5,000 and is held by W&DB.

#### *Marston, Thompson & Evershed Limited*

Marston, Thompson & Evershed Limited (“MTE”) is a private limited company incorporated in England and Wales with company number 00048254 and whose registered office is P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY. It owns certain intellectual property used within the W&DB Group but is otherwise dormant. MTE is not a member of the Securitisation Group nor is it party to the Transaction Documents (other than the IP Licence Agreement). The issued share capital of MTE is £23.2 million and is held by W. & D. PLC.

### ***Mansfield Brewery Limited***

Mansfield Brewery Limited (“**MBL**”) is a private limited company incorporated in England and Wales with company number 00203685 and whose registered office is P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY. It is a holding and investment company within the W&DB Group. MBL is not a member of the Securitisation Group nor is it party to the Transaction Documents. The issued share capital of MBL is £16.6 million and is held by W & DB (Finance) PLC.

### ***Mansfield Brewery Trading Limited***

Mansfield Brewery Trading Limited (“**MBTL**”) is a private limited company incorporated in England and Wales with company number 00445797 and whose registered office is P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY. It owns fixed assets which generate income by renting them to fellow W&DB Group undertakings and it owns certain intellectual property used within the W&DB Group. MBTL is not a member of the Securitisation Group nor is it a party to the Transaction Documents (other than the IP Licence Agreement). The issued share capital of MBTL is £5,250 and is held by MBL

### ***Sherwood Forest Properties Limited***

Sherwood Forest Properties Limited (“**SFPL**”) is a private limited company incorporated in England and Wales with company number 03236791 and whose registered office is P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY. It owns fixed assets which generate rental income from fellow W&DB Group undertakings. SFPL is not a member of the Securitisation Group nor is it a party to the Transaction Documents. The issued share capital of SFPL is £65.0 million and is held by MBL.

### ***Burtonwood Group Limited***

Burtonwood Group Limited (“**BGL**”) is a private limited company incorporated in England and Wales with company number 00466771 and whose registered office is P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY. It is the owner and operator of licensed properties. BGL is not a member of the Securitisation Group nor is it a party to the Transaction Documents. The issued share capital of BGL is £6.0 million and is held by W&DB.

## EXPECTED AVERAGE LIFE OF THE NOTES

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

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

the following would be the case:

<b>Class</b>	<b>Notional Amount</b>	<b>Expected Average Life<sup>(1)</sup></b>	<b>Expected Maturity<sup>(1)</sup></b>	<b>Legal Maturity Date</b>
A1	236,000,000	5.9 years	July 2012	July 2020
A2	214,000,000	13.9 years	July 2019	October 2027
A3	200,000,000	21.7 years	April 2027	July 2032
B	155,000,000	13.9 years	July 2019	July 2035

**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.**

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<sup>(1)</sup> Based on the assumption referred to in paragraph (b) above.

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

Each class of Notes will initially be represented by a Temporary Global Note which will be deposited on or about the Closing Date with a common depository 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 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 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 Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Each Permanent Global Note will become exchangeable in whole, but not in part, for Definitive Notes in denominations as contemplated by Condition 2 (*Form, Denomination and Title*) 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) Clearstream, Luxembourg or Euroclear 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 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 Notes which would not be required were such 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 Notes.

Notwithstanding Condition 17 (Notices to Noteholders), while (i) all the Notes are represented by Global Notes and the Global Notes are deposited with a common depository for Euroclear and/or Clearstream, Luxembourg, and (ii) so long as the 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 Notes are represented by a Global Note, such 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 THE 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 £236,000,000 Class A1 Secured Floating Rate Notes due 2020, the £214,000,000 Class A2 Secured Fixed/Floating Rate Notes due 2027, the £200,000,000 Class A3 Secured Fixed/Floating Rate Notes due 2032 and the £155,000,000 Class B Secured Fixed/Floating Rate Notes due 2035 in each case of W&DB Issuer PLC (the “**Issuer**”) are constituted by a note trust deed (the “**Note Trust Deed**”, which expression includes such note trust deed as from time to time 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) dated on or about 9 August, 2005 (or such later date as may be agreed between the Issuer and The Royal Bank of Scotland plc (in such capacity the “**Arranger**”)) (the “**Closing Date**”) 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).

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 B 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 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 B 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 (the “**Issuer Deed of Charge**”, which expression includes such deed of charge as from time to time 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) dated the Closing Date and made between, *inter alios*, the Issuer and the Issuer Secured Creditors (as defined below).

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 and any agreement or other document expressed to be supplemental thereto, as from time to time so modified) dated the Closing Date and made between the Issuer, the Issuer Security Trustee, HSBC Bank plc as principal paying agent (in such capacity the

“**Principal Paying Agent**”, which expression includes its successors and, together with 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 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 (each as defined below) (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. 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 Notes was authorised by resolution of the board of directors of the Issuer passed on 4 August, 2005.

## **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.

“**Account Bank**” means Barclays Bank PLC acting through its branch at 15 Colmore Row, Birmingham B3 2WN, as account bank to the Issuer and the Obligors or such other entity or entities appointed as Account Bank from time to time, subject to and in accordance with the terms of the Account Bank and Cash Management Agreement.

“**Account Bank and Cash Management Agreement**” means the account bank and cash management agreement dated on or about the Closing Date and made between the Obligors, the Account Bank, Trading, the Issuer, the Issuer Security Trustee and the Borrower Security Trustee.

“**Additional Borrower**” means an Eligible Borrower who has acceded to the Issuer/Borrower Facility Agreement in accordance with the terms thereof.

“**Additional Notes**” means any Further Notes and/or any New Notes.

“**Additional Obligor**” means an Eligible Obligor who has acceded to the Borrower Deed of Charge in accordance with the terms thereof.

“**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 deed of charge dated on or about the Closing Date and made between, *inter alios*, the Obligors and the Borrower Security Trustee and includes, where the context so admits, any further or supplemental charge or security granted pursuant thereto.

“**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) Trading;
- (e) the Account Bank;
- (f) W&DB;
- (g) any Receiver appointed under the Borrower Deed of Charge; and
- (h) 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 W&DB Security Deed;
- (j) the Master Definitions and Construction Schedule;
- (k) the Initial Borrower Subordinated Loan Agreement;
- (l) the Funds Flow Agreement; and
- (m) 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.

“**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 Wolverhampton & Dudley Breweries (Trading) Limited, a private limited company incorporated in England and Wales with company number 00040590 whose registered office is at P.O. Box 26, Park Brewery, Bath Road, Wolverhampton, WV1 4NY, 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 and the Class A3 Notes, or where the context so requires, any of them.

“**Class A Shortfall**” has the meaning given to it in Condition 18(a)(i)(A) (*Subordination and Deferral - Interest - Class A Notes - Class A Step-Up Amounts*).

“**Class A Step-Up Amounts**” means Class A1 Step-Up Amounts, Class A2 Step-Up Amounts and Class A3 Step-Up Amounts.

“**Class A Step-Up Residual Amount**” has the meaning given to it in Condition 18(a) (*Subordination and Deferral - Interest*).

“**Class A1 Amortisation Amount**” has the meaning given to it in Condition 7(b)(i) (*Redemption, Purchase and Cancellation - Scheduled Mandatory Redemption in Part*).

“**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 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 Margin**” has the meaning given to it in Condition 6(c)(ii) (*Interest - Rates of Interest on the Notes - Class A1 Notes*).

“**Class A1 Noteholders**” means the Noteholders of any Class A1 Notes.

“**Class A1 Notes**” means the £236,000,000 Class A1 Secured Floating Rate Notes due 2020 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 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 - 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 - Class A1 Notes*).

“**Class A1 Step-Up Date**” means the Interest Payment Date falling in July 2012.

“**Class A1 Step-Up Margin**” has the meaning given to it in Condition 6(c)(ii) (*Interest- Rates of Interest on the Notes - Class A1 Notes*).

“**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 Note Trust Deed.

“**Class A2 Amortisation Amount**” has the meaning given to it in Condition 7(b)(i) (*Redemption, Purchase and Cancellation - Scheduled Mandatory Redemption in Part*).

“**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 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 Fixed Rate**” has the meaning given to it in Condition 6(c)(iii) (*Interest - Rates of interest on the Notes - Class A2 Notes*).

“**Class A2 Floating Rate**” has the meaning given to it in Condition 6(c)(iii) (*Interest - Rates of Interest on the Notes - Class A2 Notes*).

“**Class A2 Margin**” has the meaning given to it in Condition 6(c)(iii) (*Interest - Rates of Interest on the Notes - Class A2 Notes*).

“**Class A2 Noteholders**” means the Noteholders of any Class A2 Notes.

“**Class A2 Notes**” means the £214,000,000 Class A2 Secured Fixed/Floating Rate Notes due 2027 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 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 - 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 Step-Up Amounts**” has the meaning given to it in Condition 6(c)(iii) (*Interest - Rates of Interest on the Notes - Class A2 Notes*).

“**Class A2 Step-Up Date**” means the Interest Payment Date falling in July 2019.

“**Class A2 Step-Up Margin**” means has the meaning given to it in Condition 6(c)(iii) (*Interest - Rates of Interest on the Notes - Class A2 Notes*).

“**Class A2 Temporary Global Note**” means the temporary 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 A of Schedule 1 (*Form of Temporary Global Note*) to the Note Trust Deed.

“**Class A3 Amortisation Amount**” has the meaning given to it in Condition 7(b)(i) (*Redemption, Purchase and Cancellation - Scheduled Mandatory Redemption in Part*).

“**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 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 Fixed Rate**” has the meaning given to it in Condition 6(c)(iv) (*Interest - Rates of Interest on the Notes - Class A3 Notes*).

“**Class A3 Floating Rate**” has the meaning given to it in Condition 6(c)(iv) (*Interest - Rates of Interest on the Notes - Class A3 Notes*).

“**Class A3 Margin**” has the meaning given to it in Condition 6(c)(iv) (*Interest - Rates of Interest on the Notes - Class A3 Notes*).

“**Class A3 Noteholders**” means the Noteholders of any Class A3 Notes.

“**Class A3 Notes**” means the £200,000,000 Class A3 Secured Fixed/Floating Rate Notes due 2032 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 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 - Class A3 Notes*).

“**Class A3 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 A3 Step-Up Amounts**” has the meaning given to it in Condition 6(c)(iv) (*Interest - Rates of Interest on the Notes - Class A3 Notes*).

“**Class A3 Step-Up Date**” means the Interest Payment Date falling in April 2027.

“**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 Note Trust Deed.

“**Class B Amortisation Amount**” has the meaning given to it in Condition 7(b)(i) (*Redemption, Purchase and Cancellation - Scheduled Mandatory Redemption in Part*).

“**Class B Definitive Notes**” means the bearer Notes in definitive form which may be issued in respect of the Class B Notes pursuant to, and in the circumstances specified in, clause 3 of the Note Trust Deed and includes any replacement for Class B 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 Note Trust Deed.

“**Class B Final Maturity Date**” has the meaning given to it in Condition 7(a)(iv) (*Redemption, Purchase and Cancellation - Final Redemption*).

“**Class B Fixed Rate**” has the meaning given to it in Condition 6(c)(v) (*Interest - Rates of Interest on the Notes - Class B Notes*).

“**Class B Floating Rate**” has the meaning given to it in Condition 6(c)(v) (*Interest - Rates of Interest on the Notes - Class B Notes*).

“**Class B Interest Residual Amount**” has the meaning given to it in Condition 18(a)(ii)(A) (*Subordination and Deferral - Interest - Class B Notes - Interest (other than Class B Step-Up Amounts)*).

“**Class B Interest Shortfall**” has the meaning given to it in Condition 18(a)(ii)(A) (*Subordination and Deferral - Interest - Class B Notes - Interest (other than Class B Step-Up Amounts)*).

“**Class B Margin**” has the meaning given to it in Condition 6(c)(v) (*Interest - Rates of Interest on the Notes - Class B Notes*).

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

“**Class B Notes**” means the £155,000,000 Class B Secured Fixed/Floating Rate Notes due 2035 constituted by the Note Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class B Temporary Global Note (or any part thereof) and the Class B Permanent Global Note (or any part thereof) representing the same, and (if issued) the Class B Definitive Notes (or any of them) representing the same and references to the Class B Notes shall, except where the context otherwise requires, include the Conditions applicable thereto.

“**Class B Permanent Global Note**” means the permanent global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class B Notes in, or substantially in, the form set out in Part B of Schedule 1 (*Form of Permanent Global Note*) to the Note Trust Deed.

“**Class B Rate of Interest**” has the meaning given to it in Condition 6(c)(v) (*Interest- Rates of Interest on the Notes - Class B Notes*).

“**Class B 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 B Step-Up Amounts**” has the meaning given to it in Condition 6(c)(v) (*Interest - Rates of Interest on the Notes - Class B Notes*).

“**Class B Step-Up Date**” means the Interest Payment Date falling in July 2019.

“**Class B Step-Up Margin**” means has the meaning given to it in Condition 6(c)(v) (*Interest - Rates of Interest on the Notes - Class B Notes*).

“**Class B Step-Up Residual Amount**” has the meaning given to it in Condition 18(a)(ii)(B) (*Subordination and Deferral - Interest - Class B Notes - Interest - Class B Step-Up Amounts*).

“**Class B Step-Up Shortfall**” has the meaning given to it in Condition 18(a)(ii)(B) (*Subordination and Deferral - interest - Class B Notes - Interest - Class B Step-Up Amounts*).

“**Class B Temporary Global Note**” means the temporary global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class B Notes in, or substantially in, the form set out in Part A of Schedule 1 (*Form of Temporary Global Note*) to the Note Trust Deed.

“**Clear-stream, Luxembourg**” means Clearstream Banking, société anonyme.

“**Closing Date**” has the meaning given in the recitals to these Conditions.

“**Common Depository**” 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 Closing Date and entered into between SPV Management 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 Part D of Schedule 1 (*Form of Coupon*) to the 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 B 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 “W&DB Pubs Limited Disposals Account” held in the name of the Initial Borrower and maintained by the Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement and having account number 70035750, sort code 20-97-78 or such other account as may be opened, with the consent of the Borrower Security Trustee, at any branch of the 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) sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper) rated by S&P and (if applicable) Fitch 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 “A-1” (by S&P) and (if rated by Fitch) “F-1” or higher; and

- (c) in the case of monies standing to the credit of the Disposal Proceeds Account only, investments made in money management funds rated by either S&P or Fitch 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 not less than “AAAm” (by S&P) and (if rated by Fitch) “AAA”.

“**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., as operator of the Euroclear System.

“**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 W&DB 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 Closing Date to (and including) 31 December, 2005.

“**Financial Quarter Date**” means 31 December, 2005 and, thereafter, the date on which the quarterly accounting period of each Borrower ends, being:

- (a) for the first Financial Quarter, the period from the Closing Date to 31 December, 2005 and in each year thereafter 13 weeks from the fourth Financial Quarter Date in the immediately preceding Financial Year;
- (b) for the second Financial Quarter, the date which is 13 weeks from the previous Financial Quarter Date;
- (c) for the third Financial Quarter, the date which is 13 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 September, the first Financial Year ending on 30 September, 2006.

**“Fitch”** means Fitch Ratings Limited or any successor to its ratings business.

**“Fixed Interest Rates”** means up to (but excluding) the Interest Payment Date falling in July 2019, the Class A2 Fixed Rate, up to (but excluding) the Interest Payment Date falling in April 2027, the Class A3 Fixed Rate and up to (but excluding) the Interest Payment Date falling in July 2019, the Class B Fixed Rate.

**“Fixed Rate Note Interest Amounts”** has the meaning given to it in Condition 6(d) (*Interest - Determination of Hates of Interest and Calculation of Interest Amounts*).

**“Floating Interest Rates”** means the Class A1 Rate of Interest and, on and following the Class A2 Step-Up Date, Class A2 Floating Rate and, on and following the Class A3 Step-Up Date, Class A3 Floating Rate and, on and following the Class B Step-Up Date, the Class B 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*).

**“Floating Rate Notes”** means the Class A1 Notes and, on and following the Class A2 Step-Up Date, the Class A2 Notes and, on and following the Class A3 Step-Up Date, the Class A3 Notes and, on and following the Class B Step-Up Date, the Class B Notes.

**“Funds Flow Agreement”** means the agreement relating to the flow of funds on the Closing Date dated on or about the Closing Date between, *inter alios*, W&DB, the Initial Borrower, Trading, and certain other members of the W&DB Group.

**“Further Class A Notes”** means any Further Class A1 Notes, any Further Class A2 Notes and any Further Class A3 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 Issuer - 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 Issuer - 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 Issuer - 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 B Notes**” means further Class B 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 Issuer - 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 B 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 Initial Term Facility pursuant to clause 2.4 of the Issuer/Borrower Facility Agreement and is made available to such Borrower by the Issuer in accordance with and subject to clause 2.5 of the Issuer/Borrower Facility Agreement.

“**Global Notes**” has the meaning given to it in Condition 2(a) (Form, Denomination and Title).

“**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*).

“**Initial Borrower**” means W&DB Pubs Limited, a private limited company incorporated under the laws of England and Wales with company number 05453367 and whose registered office is at P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY.

“**Initial Borrower Subordinated Loan Agreement**” means a subordinated loan agreement dated on or about the Closing Date between, *inter alios*, W&DB and the Initial Borrower,

pursuant to which W&DB will lend approximately £375,000,000 of subordinated debt to the Initial Borrower.

“**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 A2 Advance**” means the Initial Term Advance under the Initial Term A2 Facility.

“**Initial Term A3 Advance**” means the Initial Term Advance under the Initial Term A3 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 Facility**” has the meaning given to it in clause 2.1(b) of the Issuer/Borrower Facility Agreement.

“**Initial Term A3 Facility**” has the meaning given to it in clause 2.1(c) of the Issuer/Borrower Facility Agreement.

“**Initial Term B Advance**” means the Initial Term Advance under the Initial Term B Facility.

“**Initial Term B Facility**” has the meaning given to it in clause 2.1(d) of the Issuer/Borrower Facility Agreement.

“**Initial Term Facilities**” means the Initial Term A1 Facility, the Initial Term A2 Facility, the Initial Term A3 Facility and the Initial Term B 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*).

**“Interest Determination Date”** means each Interest Payment Date or, in the case of the first Interest Period, the 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 October, 15 January, 15 April and 15 July 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 Note Interest Periods*).

“**Interest Rate Swap Agreement**” means the interest rate swap agreement entered into between the Issuer and the Swap Counterparty on 4 August, 2005 together with the amendment and novation agreement dated 4 August, 2005 between the Swap Counterparty, the Issuer and W&DB and the amendment deed dated the Closing Date between the Swap Counterparty, the Issuer and the Issuer Security Trustee (and any replacement interest rate swap agreement(s)).

“**Intra-Group Supply Agreement**” means the supply agreement dated on or about the Closing Date and made between, *inter alios*, Trading, the Initial Borrower and the Borrower Security Trustee.

“**IP Licence Agreement**” means the intellectual property licence agreement dated on or about the Closing Date and made between, *inter alios*, W&DB, 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 Closing Date.

“**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 on or about the Closing Date and made between, *inter alios*, the Issuer, the Obligors, Trading and the Borrower Security Trustee.

“**Issuer/Borrower Swap Agreement**” means the back-to-back interest rate swap agreement dated on 4 August, 2005 and made between the Issuer and the Initial Borrower.

“**Issuer Deed of Charge**” has the meaning given in the recitals to these Conditions.

“**Issuer Post-Enforcement (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 Post-Enforcement (Pre-Acceleration) Priority of Payments**” means the provisions relating to the order of priority of payments set out in clause 6.1 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 from and including the time when a Note Enforcement Notice has been delivered but prior to the delivery of a Note Acceleration Notice to the Issuer by the Issuer Security Trustee, the Issuer Post-Enforcement (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-Enforcement (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 B Noteholders;
- (g) any holders of any New Notes;
- (h) the Liquidity Facility Provider and any facility agent and arranger under the Liquidity Facility Agreement;
- (i) the Agent Bank;
- (j) the Account Bank;
- (k) the Cash Manager;
- (l) the Initial Borrower;
- (m) the Corporate Services Provider;
- (n) the Principal Paying Agent; and
- (o) 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 power of attorney executed and delivered by the Issuer pursuant to the terms of any Issuer Security Document; and
- (c) 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 designated the “Issuer Transaction Account” held in the name of the Issuer and maintained with the Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement and having account number 73325059 and sort code 20-97-78 or such other account as may be opened, with the consent of the Issuer Security Trustee, at any branch of the 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.

**“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 Telerate Screen Page No. 3750 (or (i) such other page as may replace Telerate Screen Page No. 3750 on that 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 Telerate Monitor) (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 the case of the first Interest Period following the 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, two or three 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 Closing Date only, two and three 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 respect of the first Interest Period following the 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 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.

“**Liquidity Facility Provider**” means The Royal Bank of Scotland plc in its capacity as liquidity facility provider, acting through its office at 280 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 Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement and having account number 63624552 and sort code 20-97-78 or such other account as may be opened, with the consent of the Issuer Security Trustee, at any branch of the 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 Services Agreement”** means the management services agreement dated on or about the Closing Date and made between, *inter alios*, Trading, the Initial Borrower and the Borrower Security Trustee.

**“Managers”** means Barclays Bank PLC, HSBC Bank plc and The Royal Bank of Scotland plc.

**“Master Definitions and Construction Schedule”** means the master definitions and construction schedule signed by Freshfields Bruckhaus Deringer and Linklaters on or about the Closing Date.

**“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 “F-1 “ by Fitch and at least “A-1 “ by S&P.

**“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 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 higher than the Term A Facilities or which can rank *pari passu* with the existing Term A Facilities or below the Term A Facilities but ahead of the Term B

Facility or *pari passu* with the existing Term B Facility or below the Term B Facility 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 2.5 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**” means the note trust deed dated on or about the Closing Date between the Issuer and the Note Trustee together with any Supplemental Deed and the Schedules thereto and includes any deed or other document executed in accordance with the provisions thereof as expressed to be supplemental thereto.

“**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 and the Securitisation Group Parent and, where the context requires, includes any Additional Borrower or any Additional Obligor.

“**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 10 and clause 16.1 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 W&DB Group, or by any person for the benefit of the Issuer or any member of the W&DB 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 B 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 Note Principal Payments in respect of that Note which have become due and payable and have been paid since the date of issue of that Note.

“**Principal Paying Agent**” has the meaning given in the recitals to these Conditions.

“**Principal Residual Amount**” has the meaning given to it in Condition 18(b) (*Subordination and Deferral - Principal*).

“**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 349 of the Income and Corporation Taxes Act 1988 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 31 December, 2005, for the period from (and including) the Closing Date to (and including) 31 December, 2005;
- (b) in respect of the Financial Quarter ending on 1 April, 2006, for the period from (and including) the Closing Date to (and including) 1 April, 2006;
- (c) in respect of the Financial Quarter ending on 1 July, 2006, for the period from (and including) the Closing Date to (and including) 1 July, 2006; and
- (d) in respect of the Financial Quarter ending on 30 September, 2006, for the period from (and including) the Closing Date to (and including) 30 September, 2006.

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

“**Screen Rate**” has the meaning given to it in the definition of “LIBOR” above.

“**Securitisation Estate**” means the portfolio of Mortgaged Properties and other assets, undertakings and rights of the members of the Securitisation Group from time to time.

“**Securitisation Group**” means the Initial Borrower and any Additional Borrowers and their direct and indirect subsidiaries and the Securitisation Group Parent.

**“Securitisation Group Parent”** means W&DB Pubs Parent Limited, a private limited company incorporated under the laws of England and Wales with company number 05453370 and whose registered office is at P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY.

**“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;

**“Step-Up Amounts”** has the meaning given to it in Condition 6(c)(v) (*Interest - Rates of Interest on the Notes - Class B Notes*).

**“Stock Exchange”** means the London Stock Exchange plc.

**“Subscription Agreement”** means the subscription agreement in relation to the Notes to be dated on or about 5 August, 2005 and made between, *inter alios* the Issuer, the Obligors, W&DB and the Managers.

**“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 HSBC Bank plc, acting through its office at 8 Canada Square, London E14 5HQ, which expression shall include any other swap counterparty with which the Issuer enters into any Interest Rate Swap Agreement.

**“Swap Counterparty Downgrade”** means the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty being rated below the Minimum Short-Term Ratings at any time, or the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty being rated below the Minimum Long-Term Ratings at any time.

**“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 HM Revenue & Customs.

“**Tax Deed of Covenant**” means the tax deed of covenant entered into on or about the Closing Date between, *inter alios*, the Initial Borrower, W&DB, Trading, the Securitisation Group Parent, the Issuer, the Issuer Parent, the Issuer Security Trustee and the Borrower Security Trustee.

“**Temporary Global Notes**” means each Class A1 Temporary Global Note, each Class A2 Temporary Global Note, each Class A3 Temporary Global Note, each Class B 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, and the Term A3 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 an Initial Term A3 Facility and/or a Further Term A3 Facility, as the context may require.

“**Term Advance**” means an Initial Term Advance, a Further Term Advance and/or a New Term Advance, as the context may require.

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

“**Term B Facility**” means an Initial Term B Facility and/or a Further Term B Facility, as the context may require.

“**Term Facility**” means an Initial Term Facility, a Further Term Facility and/or a New Term Facility, as the context may require.

“**Trading**” means Wolverhampton & Dudley Breweries (Trading) Limited, a private limited company incorporated in England and Wales with company number 00040590 whose registered office is at P.O. Box 26, Park Brewery, Bath Road, Wolverhampton WV1 4NY.

“**Transaction Documents**” means the Issuer Transaction Documents and the Borrower 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).

“**W&DB**” means The Wolverhampton & Dudley Breweries, PLC, a listed public company with limited liability incorporated under the laws of England and Wales with company number 00031461 and whose registered office is at P.O. Box 26, Park Brewery, Bath Road, Wolverhampton, WV1 4NY.

“**W&DB Group**” means W&DB and each of its direct and indirect subsidiaries (including the Obligors, and Trading).

“**W&DB Security Deed**” means the security deed entered into on or about the Closing Date between, *inter alios*, W&DB, the Obligors and the W&DB Security Trustee pursuant to which

W&DB will grant certain security in respect of certain of its obligations under the Tax Deed of Covenant.

“**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, in the initial principal amount of £236,000,000 for the Class A1 Notes, £214,000,000 for the Class A2 Notes, £200,000,000 for the Class A3 Notes, and £155,000,000 for the Class B Notes. 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 Clearstream, Luxembourg and Euroclear on or about the Closing Date. Upon deposit of the Temporary Global Notes, Clearstream, Luxembourg or Euroclear (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 Closing Date (the “**Exchange Date**”), provided certification of non-U.S. beneficial ownership by the relevant Noteholders has been received, for interests in a Permanent Global Note in bearer form (which will also be deposited with the Common Depositary) representing the same class of Notes, without Coupons or Talons. The expressions “**Global Notes**” and “**Global Note**” mean, respectively (i) all the Temporary Global Notes and the Permanent Global Notes or the Temporary Global Note and the Permanent Global Note of a particular class or (ii) any Temporary Global Notes or Permanent Global Notes, as the context may require. On the exchange of the Temporary Global Note for the Permanent Global Note of the relevant class, the Permanent Global Notes will remain deposited with the Common Depositary. Title to the Global Notes will pass by delivery. The Permanent Global Notes will only be exchangeable for Definitive Notes in certain limited circumstances described below.

For so long as any Notes are represented by a Global Note, interests in such Notes will be transferable in accordance with the rules and procedures for the time being of Clearstream, Luxembourg or Euroclear, as appropriate.

- (b) If, while any of the Notes are represented by a Permanent Global Note: (i) either Clearstream, Luxembourg or Euroclear 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 subdivision 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 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 and the Class B Notes will be issued in bearer form in denominations of £50,000 or any integral multiple thereof or as described below an amount in excess of £50,000 but less than £100,000 (in increments 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. Such Definitive Notes once issued may be transferred in whole. Each Noteholder will be entitled to receive Definitive Notes in a denomination of £50,000 each (endorsed to reflect the aggregate of all amounts of Note Principal Payments that have been paid before the issue of Definitive Notes) save as set out below. Where at the time the Definitive Notes are to be issued, a Noteholder that is entitled to be issued with a Definitive Note which at issue would need to have an original principal amount in excess of £50,000 but less than £100,000 (the amount by which such principal amount exceeds £50,000 being the “**Note Excess Amount**”), such Noteholder will be entitled to receive one Definitive Note which shall have a denomination of £50,000 plus the Note Excess Amount (endorsed to reflect the aggregate of all amounts of Note Principal Payments that have been paid before the issue of the Definitive Note). If Definitive Notes are issued, the Note Trustee and the Issuer will make such amendments to these terms and conditions as are necessary to give effect hereto,
- (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 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 B Notes.

**(b) *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) 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 (excluding any Step-Up Amounts) on the Class A Notes as provided herein and in the Issuer Deed of Charge.

**(c) *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 W&DB Group or any other person.

**(d) *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-Enforcement (Pre-Acceleration) Priority of Payments and the Issuer Post-Enforcement (Post-Acceleration) Priority of Payments.

**(e) *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 holders of 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) any confirmation given by the relevant Rating Agencies that the then current ratings of the applicable sub-class, 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.

**(f) *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 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 will, pursuant to the Issuer Deed of Charge between, *inter alios*, the Issuer, the Swap Counterparty, the Liquidity Facility

Provider, the Initial Borrower, the Note Trustee and the Issuer Security Trustee, grant 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 will covenant 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 HM 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; and

**(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.

## **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*), each Note bears interest on its Principal Amount Outstanding from (and including) the 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 and the Class B Notes on the Interest Payment Date in respect of the Interest Period ending on (but excluding) that Interest Payment Date.

An “**Interest Period**” means the period from (and including) the Closing Date to (but excluding) the Interest Payment Date falling on 15 October, 2005 and 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 October, 15 January, 15 April and 15 July in each year to (but excluding) the following 15 January, 15 April, 15 July and 15 October respectively.

(c) ***Rates of Interest on the Notes***

(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 in respect of:

- (A) the Class A1 Notes (both prior to and following the Class A1 Step-Up Date);
- (B) the Class A2 Notes (following the Class A2 Step-Up Date), the Class A3 Notes (following the Class A3 Step-Up Date) and the Class B Notes (following the Class B 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 0.55 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 0.825 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 the “**Class A1 Step-Up Amounts**”),

(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 5.1576 per cent. per annum up to (but

excluding) the Class A2 Step-Up Date (the “**Class A2 Fixed Rate**”) and thereafter, until the date on which the Class A2 Notes have been redeemed in full, the aggregate of:

- (A) LIBOR; and
- (B) a margin of 0.53 per cent. per annum (the “**Class A2 Margin**”); and
- (C) a further margin of 0.79 per cent. per annum (the “**Class A2 Step-Up Margin**”) and that part of any interest referable to the Class A2 Step-Up Margin and any interest accrued thereon being the “**Class A2 Step-Up Amounts**”) (the “**Class A2 Floating Rate**”).

(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 5.1774 per cent. per annum up to (but excluding) the Class A3 Step-Up Date (the “**Class A3 Fixed Rate**”) and thereafter, until the date on which the Class A3 Notes have been redeemed in full, the aggregate of:

- (A) LIBOR; and
- (B) a margin of 0.58 per cent. per annum (the “**Class A3 Margin**”); and
- (C) a further margin of 0.87 per cent. per annum (the “**Class A3 Step-Up Margin**”) and that part of any interest referable to the Class A3 Step-Up Margin and any interest accrued thereon being the “**Class A3 Step-Up Amounts**”) (the “**Class A3 Floating Rate**”).

(v) *Class B Notes*

The Rate of Interest in respect of the Class B Notes for each interest period (the “**Class B Rate of Interest**”) shall be 5.6410 per cent. per annum up to (but excluding) the Class B Step-Up Date (the “**Class B Fixed Rate**”) and thereafter, until the date on which the Class B Notes have been redeemed in full, the aggregate of:

- (A) LIBOR; and
- (B) a margin of 1.02 per cent. per annum (the “**Class B Margin**”); and
- (C) a further margin of 1.53 per cent. per annum (the “**Class B Step-Up Margin**”) and that part of any interest referable to the Class B Step-Up Margin and any interest accrued thereon being the “**Class B Step-Up Amounts**”) and together with the Class A1 Step-Up Amounts, the Class A2 Step-Up Amounts and the Class A3 Step-Up Amounts, the “**Step-Up Amounts**”) (the “**Class B Floating Rate**”).

**(d) Determination of Rates of Interest and Calculation of Interest 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, the Paying Agents and (for so long as the Notes of each class are listed on the Official List of the UK Listing Authority) the UK Listing Authority and the Stock Exchange 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 Fixed Rate Note Interest Amount in respect of the first Note Interest Period for the Class A2 Notes will be £9.4676 per £1,000 of the Class A2 Notes outstanding. The Fixed Rate Note Interest Amount in respect of the first Note Interest Period for the Class A3 Notes will be £9.5039 per £1,000 of the Class A3 Notes outstanding. The Fixed Rate Note Interest Amount in respect of the first Note Interest Period for the Class B Notes will be £10.3551 per £1,000 of the Class B Notes outstanding.

**(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*) 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 and Receiptholders, 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 July 2020 (the “**Class A1 Final Maturity Date**”);
- (ii) the Class A2 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in October 2027 (the “**Class A2 Final Maturity Date**”);
- (iii) the Class A3 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in July 2032 (the “**Class A3 Final Maturity Date**”);
- (iv) the Class B Notes at their Principal Amount Outstanding on the Interest Payment Date falling in July 2035 (the “**Class B 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 “**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**” and a “**Class B 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 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.

<b>Interest Payment Date falling in</b>	<b>Class A1 Amortisation Amount (£) (per £1, 000)</b>	<b>Class A2 Amortisation Amount (£) (per £1,000)</b>	<b>Class A3 Amortisation Amount (£) (per £1,000)</b>	<b>Class B Amortisation Amount (£) (per £1,000)</b>
October 2005	8.31	0.00	0.00	0.00
January 2006	11.53	0.00	0.00	0.00
April 2006	11.42	0.00	0.00	0.00
July 2006	11.70	0.00	0.00	0.00
October 2006	11.98	0.00	0.00	0.00
January 2007	12.14	0.00	0.00	0.00
April 2007	12.03	0.00	0.00	0.00
July 2007	12.32	0.00	0.00	0.00
October 2007	12.62	0.00	0.00	0.00
January 2008	12.78	0.00	0.00	0.00
April 2008	12.93	0.00	0.00	0.00
July 2008	13.10	0.00	0.00	0.00
October 2008	13.42	0.00	0.00	0.00
January 2009	13.47	0.00	0.00	0.00
April 2009	13.35	0.00	0.00	0.00
July 2009	13.67	0.00	0.00	0.00
October 2009	14.00	0.00	0.00	0.00
January 2010	14.18	0.00	0.00	0.00
April 2010	14.05	0.00	0.00	0.00
July 2010	14.39	0.00	0.00	0.00
October 2010	14.74	0.00	0.00	0.00
January 201 1	14.93	0.00	0.00	0.00
April 2011	14.80	0.00	0.00	0.00
July 201 1	15.16	0.00	0.00	0.00
October 2011	15.52	0.00	0.00	0.00
January 2012	15.72	0.00	0.00	0.00
April 2012	15.87	0.00	0.00	0.00
July 2012	16.08	0.00	0.00	0.00
October 2012	16.47	0.00	0.00	0.00
January 2013	16.56	0.00	0.00	0.00
April 2013	16.42	0.00	0.00	0.00
July 2013	16.81	0.00	0.00	0.00
October 20 13	17.22	0.00	0.00	0.00
January 2014	17.44	0.00	0.00	0.00
April 2014	17.29	0.00	0.00	0.00
July 2014	17.70	0.00	0.00	0.00
October 201 4	18.13	0.00	0.00	0.00
January 2015	18.37	0.00	0.00	0.00
April 2015	18.20	0.00	0.00	0.00
July 2015	18.64	0.00	0.00	0.00

October 201 5	19.09	0.00	0.00	0.00
January 2016	19.34	0.00	0.00	0.00
April 2016	19.48	0.00	0.00	0.00
July 201 6	19.73	0.00	0.00	0.00
October 201 6	20.20	0.00	0.00	0.00
January 2017	20.37	0.00	0.00	0.00
April 201 7	20.19	0.00	0.00	0.00
July 201 7	20.68	0.00	0.00	0.00
October 201 7	21.18	0.00	0.00	0.00
January 2018	21.45	0.00	0.00	0.00
April 2018	21.26	0.00	0.00	0.00
July 2018	21.77	0.00	0.00	0.00
October 20 18	22.30	0.00	0.00	0.00
January 2019	22.59	0.00	0.00	0.00
April 2019	22.39	0.00	0.00	0.00
July 2019	22.93	0.00	0.00	0.00
October 201 9	23.48	0.00	0.00	0.00
January 2020	25.40	0.00	0.00	0.00
April 2020	25.48	0.00	0.00	0.00
July 2020	5.22	22.71	0.00	0.00
October 2020	0.00	29.16	0.00	0.00
January 2021	0.00	29.52	0.00	0.00
April 2021	0.00	29.27	0.00	0.00
July 2021	0.00	29.98	0.00	0.00
October 2021	0.00	30.72	0.00	0.00
January 2022	0.00	31.13	0.00	0.00
April 2022	0.00	30.87	0.00	0.00
July 2022	0.00	31.62	0.00	0.00
October 2022	0.00	32.40	0.00	0.00
January 2023	0.00	32.83	0.00	0.00
April 2023	0.00	32.55	0.00	0.00
July 2023	0.00	33.35	0.00	0.00
October 2023	0.00	34.16	0.00	0.00
January 2024	0.00	34.62	0.00	0.00
April 2024	0.00	34.74	0.00	0.00
July 2024	0.00	35.21	0.00	0.00
October 2024	0.00	36.07	0.00	0.00
January 2025	0.00	36.52	0.00	0.00
April 2025	0.00	36.21	0.00	0.00
July 2025	0.00	37.09	0.00	0.00
October 2025	0.00	38.00	0.00	0.00
January 2026	0.00	38.51	0.00	0.00
April 2026	0.00	38.19	0.00	0.00
July 2026	0.00	39.12	0.00	0.00
October 2026	0.00	40.08	0.00	0.00
January 2027	0.00	40.62	0.00	0.00
April 2027	0.00	40.27	0.00	0.00
July 2027	0.00	41.25	0.00	0.00

October 2027	0.00	3.22	41.56	0.00
January 2028	0.00	0.00	45.62	0.00
April 2028	0.00	0.00	45.74	0.00
July 2028	0.00	0.00	46.35	0.00
October 2028	0.00	0.00	47.49	0.00
January 2029	0.00	0.00	48.14	0.00
April 2029	0.00	0.00	47.73	0.00
July 2029	0.00	0.00	48.91	0.00
October 2029	0.00	0.00	50.11	0.00
January 2030	0.00	0.00	50.79	0.00
April 2030	0.00	0.00	50.36	0.00
July 2030	0.00	0.00	51.60	0.00
October 2030	0.00	0.00	52.87	0.00
January 2031	0.00	0.00	53.59	0.00
April 2031	0.00	0.00	53.14	0.00
July 2031	0.00	0.00	54.45	0.00
October 2031	0.00	0.00	55.79	0.00
January 2032	0.00	0.00	56.54	0.00
April 2032	0.00	0.00	56.69	0.00
July 2032	0.00	0.00	42.52	19.27
October 2032	0.00	0.00	0.00	75.98
January 2033	0.00	0.00	0.00	77.10
April 2033	0.00	0.00	0.00	76.54
July 2033	0.00	0.00	0.00	78.50
October 2033	0.00	0.00	0.00	80.52
January 2034	0.00	0.00	0.00	81.71
April 2034	0.00	0.00	0.00	81.11
July 2034	0.00	0.00	0.00	83.20
October 2034	0.00	0.00	0.00	85.34
January 2035	0.00	0.00	0.00	86.60
April 2035	0.00	0.00	0.00	85.96
July 2035	0.00	0.00	0.00	88.17

- (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 a 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)(iii) or (iv), 7(d) or 7(e)) redeem the relevant Notes at the relevant Redemption Amount or shall (in the case of Conditions 7(c)(iii) and (iv)) redeem the relevant Notes at their Principal Amount Outstanding together with accrued but unpaid interest on their Principal Amount Outstanding up to but excluding the Interest Payment Date on which such redemption occurs. For the purposes of the Conditions:

**“Redemption Amount”** means in the case of the redemption of:

- (A) any Class A1 Notes, par;
- (B) any Class A2 Notes on or at any time after the Interest Payment Date falling in July 2019, par;
- (C) any Class A3 Notes on or at any time after the Interest Payment Date falling in April 2027, par
- (D) any Class B Notes on or at any time after the Interest Payment Date falling in July 2019, par; and
- (E) prior to the Interest Payment Date falling in July 2019 any Class A2 Notes, prior to the Interest Payment Date falling in April 2027 any Class A3 Notes or, prior to the Interest Payment Date falling in July 2019 any Class B Notes, whichever is the higher of (i) the amount to be applied in redemption of the principal of the Class A2 Notes, the Class A3 Notes or the Class B 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 A3 Notes or the Class B Notes (as the case may be) (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 (where, for this purpose, the duration shall be deemed to be the period ending on but excluding, the Interest Payment Date falling in July 2019) as calculated by the Agent Bank;

“**Class A3 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 A3 Notes (where, for this purpose, the duration shall be deemed to be the period ending on but excluding, the Interest Payment Date falling in April 2027) as calculated by the Agent Bank;

“**Class B 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 B Notes (where, for this purpose, the duration shall be deemed to be the period ending on but excluding, the Interest Payment Date falling in July 2019) 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); and

“**Reference Market Makers**” means three brokers and/or London gilt-edged market makers selected by the Agent Bank and approved in writing by the Note Trustee or such other three persons operating in the gilt-edged market as are selected by the Agent Bank and so approved by the Note Trustee;

“**Relevant Treasury Stock**” means, in the case of the Class A2 Notes, the Class A2 Relevant Treasury Stock, in the case of the Class A3 Notes, the Class A3 Relevant Treasury Stock and, in the case of the Class B Notes, the Class B 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*).
- (vi) Without prejudice to Condition 7(b)(i) but notwithstanding the provisions of this Condition 7(c), the Class A1 Notes may only be redeemed by the Issuer pursuant to this Condition 7(c) on or after the Interest Payment Date falling in October 2006.

**(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 Closing Date, the Issuer would be required to deduct or withhold from any payment of principal or interest on the Note (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 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; or
- (iii) by reason of a change of law, which change becomes effective on or after the 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:
  - (I) 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;
  - (II) 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
  - (III) 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; and
- (2) second, *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 unmatured Coupons and Talons (if any) appertaining thereto and attached thereto or surrendered therewith, and may not be resold or reissued.

**8. *Payments***

**(a) *Payments of Interest and Principal***

Payments of interest in respect of the Definitive Notes will (subject as provided in Conditions 8(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:
  - (I) 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
  - (II) 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 Notes Void*

On the date upon which any 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 Note pursuant to Condition 7(c) (*Redemption, Purchase and Cancellation - Early Mandatory Floating Rate Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*) or early optional redemption of any Floating Rate Note pursuant to Condition 7(d) (*Redemption, Purchase and Cancellation - Substitution/Redemption in Whole for Taxation and Other Reasons*), unmatured Coupons and Talons (if any) appertaining thereto (whether or not attached to such Floating Rate Note) shall become void and no payment shall be made in respect thereof. If the due date for redemption of any Floating Rate Note is not a 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 paragraph (a) 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 Agreement, 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 occurrence of a Note Event of Default, whether or not 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 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-Enforcement (Pre-Acceleration) Priority of Payments or, following the service of a Note Acceleration Notice, the Issuer. Post-Enforcement (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(e));
- (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, each 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, each 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 that 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 to 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 an agent bank and, for so long as the Notes are listed on the Official List of the UK Listing Authority, a paying agent in London. 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) or, if such publication is not practicable, in another appropriate newspaper having general

circulation in London 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).

Whilst 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 Clearstream, Luxembourg and/or Euroclear for communication by them to Noteholders. Any notice delivered to Clearstream, Luxembourg and/or Euroclear 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 on the manner referred to above.

**(d) *Notices to Stock Exchange, Rating Agencies and Regulatory Information Services***

A copy of each notice given in accordance with this Condition 17 shall be provided to the relevant Rating Agencies, the Stock Exchange and to any of the Regulatory Information Services approved from time to time for the purposes of the rules of the UK Listing Authority made under Part VI of the FSMA 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***

**(i) *Class A Notes***

**(A) *Class A Step-Up Amounts***

For so long as any Class A Notes are outstanding, in the event that, on any Interest Payment Date, the Available Issuer Revenue, after deducting the amounts ranking in priority to the payment of any Class A Step-Up Amounts (the “**Class A Step-Up Residual Amount**”) are not sufficient to pay in full the aggregate amount of the Class A Step-Up Amounts due and, subject to this Condition

18(a)(i), payable on the Class A Notes on such Interest Payment Date, there shall instead be payable on such Interest Payment Date, by way of payment of such Class A Step-Up Amount only a *pro rata* share of the Class A Step-Up Residual Amount on such Interest Payment Date calculated by dividing the Class A Step-Up Residual Amount by the number of Class A Notes then outstanding.

In any such event, the Issuer shall create a ledger for purpose of recording the amount by which the aggregate amount of Class A Step-Up Amounts paid on the Class A Notes on any Interest Payment Date in accordance with this Condition 18(a)(i) falls short of the aggregate amount of Class A Step-Up Amounts payable on the Class A Notes on that date pursuant to Condition 6 (*Interest*). Any such shortfall (the “**Class A Shortfall**”) arising in respect of the Class A Notes shall itself accrue interest at the same rate as that payable in respect of Class A Notes and shall be payable together with such accrued Class A Step-Up Amounts on any succeeding Interest Payment Date only if and to the extent that, on such Interest Payment Date, the Available Issuer Revenue, after deducting the amounts ranking in priority to the payment of any Class A Step-Up Amounts in respect of the Class A Notes, are sufficient to make such payment.

(B) Due for Payment

Any such Class A Shortfall (including any interest accrued thereon) not previously paid in full shall fall due on the Final Maturity Date of the relevant class of Class A Notes unless the Issuer has insufficient funds to make payment of such Class A Shortfall (including any interest accrued thereon) on such date, in which case Condition 18(c) shall apply.

For the avoidance of doubt, non-payment on any Interest Payment Date of any Class A Step-Up Amount which would otherwise be payable under these Conditions but for this Condition 18 (*Subordination and Deferral*) shall not constitute a Note Event of Default pursuant to Condition 11 (*Note Events of Default*) save that:

- (1) any such Class A Shortfall (together with any interest accrued thereon) will become immediately due and repayable on such date as the Most Senior Class of Notes then outstanding becomes immediately due and repayable under Condition 11 (*Note Events of Default*); and
- (2) any failure to pay any such Class A Step-Up Amounts will constitute a Note Event of Default once no Class of Notes remains outstanding which rank in priority to payment of the Class A Step-Up Amounts.

(ii) *Class B Notes*

(A) Interest (other than Class B Step-Up Amounts)

Other than in the case of Class B Step-Up Amounts, in the event that, on any Interest Payment Date, Available Issuer Revenue, after deducting the amounts

ranking in priority to the payment of any interest in respect of the Class B Notes (other than Class B Step-Up Amounts) (the “**Class B Interest Residual Amount**”), are not sufficient to satisfy in full the aggregate amount of interest due and, subject to this Condition 18(a)(ii)(A), payable on the Class B Notes (other than Class B Step-Up Amounts) on such Interest Payment Date, there shall instead be payable on such Interest Payment Date, by way of interest on each Class B Note only, a *pro rata* share of the Class B Interest Residual Amount on such Interest Payment Date calculated by dividing the Class B Interest Residual Amount by the number of Class B Notes then outstanding.

In any such event, the Issuer shall create a ledger for the purpose of recording the amount by which the aggregate amount of interest paid on the Class B Notes on any Interest Payment Date in accordance with this Condition 18(a)(ii)(A) falls short of the aggregate amount of interest payable on the Class B Notes (other than Class B Step-Up Amounts) on that date pursuant to Condition 6 (*Interest*). Any such shortfall (the “**Class B Interest Shortfall**”) arising in respect of the Class B Notes shall itself 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 the Available Issuer Revenue, after deducting the amounts ranking in priority to the payment of interest in respect of the Class B Notes (other than Class B Step-Up Amounts), are sufficient to make such payment.

(B) Class B Step-Up Amounts

For so long as any Class B Notes are outstanding, in the event that, on any Interest Payment Date, the Available Issuer Revenue, after deducting the amounts ranking in priority to the payment of Class B Step-Up Amounts (the “**Class B Step-Up Residual Amount**”), are not sufficient to pay in full the aggregate amount of the Class B Step-Up Amounts due and, subject to this Condition 18(a)(ii)(B), payable on the Class B Notes on such Interest Payment Date, there shall instead be payable on such Interest Payment Date, by way of payment of such Class B Step-Up Amount only a *pro rata* share of the Class B Step-Up Residual Amount calculated by dividing the Class B Step-Up Residual Amount by the number of Class B Notes then outstanding.

In any such event, the Issuer shall create a ledger for the purpose of recording the amount by which the aggregate amount of Class B Step-Up Amounts paid on the Class B Notes on any Interest Payment Date in accordance with this Condition 18(a)(ii)(B) falls short of the aggregate amount of the Class B Step-Up Amounts payable on the Class B Notes on that date pursuant to Condition 6 (*Interest*). Any such shortfall (the “**Class B Step-Up Shortfall**”) arising in respect of the Class B Step-Up Amounts shall itself accrue interest at the Class B Rate of Interest and shall be payable together with such accrued Class B Step-Up Amounts on any succeeding Interest Payment Date only if and to the extent that, on such Interest Payment Date, the Available Issuer Revenue, after deducting the amounts ranking

in priority to the payment of any Class B Step-Up Amounts in respect of the Class B Notes, are sufficient to make such payments.

Any such Class B Step-Up Shortfall (including any interest accrued thereon) not previously paid in full shall fall due on the maturity of the Class B Notes unless the Issuer has insufficient funds to make such payment on such date, in which case, Condition 18(c) shall apply.

(C) Due for Payment

Any such Class B Step-Up Shortfall (including any interest accrued thereon), not previously paid in full, shall fall due on the Class B Final Maturity Date.

For the avoidance of doubt, non-payment on any Interest Payment Date of interest on the Class B Notes (including any Class B Step-Up Amounts) which would otherwise be payable under these Conditions but for this Condition 18 (*Subordination and Deferral*) shall not constitute a Note Event of Default pursuant to Condition 11 (Note Events of Default) save that:

- (1) any such Class B Interest Shortfall and/or any such Class B Step-Up Shortfall (together, in each case, with any interest accrued thereon) will become immediately due and repayable on such date as the Most Senior Class of Notes then outstanding becomes immediately due and repayable under Condition 11 (*Note Events of Default*); and
- (2) any failure to pay any such Class B Step-Up Amounts will only, of itself, constitute a Note Event of Default once no Class of Notes remains outstanding which rank in priority to payment of the Class B Step-Up Amounts.

(b) **Principal**

- (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 B Notes, (the “**Principal Residual Amount**”), 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 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 ledger for the purpose of recording 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(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 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 a 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 B Notes, within the applicable grace period will constitute a Note Event of Default where there are no class of Notes remaining outstanding which rank in priority to the Class B Notes.

**(c) Certificates**

If, at the time when the Issuer is otherwise able to and does repay in full the aggregate Principal Amount Outstanding in respect of any class of Notes, there will remain any unpaid Step-Up Amounts in respect of any such class, such Step-Up Amount will continue to remain payable on any subsequent Interest Payment Date on which the Issuer has funds available for the purpose at the relevant level of the Issuer Priorities of Payments. If requested to do so by the Issuer Security Trustee, the Issuer will be obliged to issue a certificate to relevant Noteholders evidencing their continued entitlement to such Step-Up Amount as applicable, on and subject to these Conditions to the extent appropriate and make such other arrangements in relation thereto as the Issuer Security Trustee may reasonably require at the relevant time. Any such unpaid Step-Up Amount (including any interest accrued thereon) as evidenced by such certificate will nevertheless become due and payable on the earlier to occur of the date on which the Most Senior Class of Notes then outstanding becomes immediately due and repayable under Condition 11 (*Note Events of Default*) and the maturity date of the last remaining Class of Notes outstanding.

**(d) Notification**

As soon as practicable after becoming aware that any part of a payment of interest or principal on 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 A2 Step-Up Amounts payable after the Class A2 Step-Up Date only) the Class A2 Notes, or (in relation to the Class A3 Step-Up Amounts payable after the Class A3 Step-Up Date only) the Class A3 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 and the Class A3 Notes may be issued) (“**New Notes**”) and may carry terms that differ from any of the Class A1 Notes, the Class

A2 Notes, the Class A3 Notes and the Class B 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) 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 shall 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 re-denominated 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 re-denomination 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 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.

**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 Notes and who hold the 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 document relating to certain aspects of the United Kingdom taxation of the Notes. Special rules may apply to certain classes of taxpayer (such as dealers). 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.*

The Notes will constitute “**quoted Eurobonds**” within the meaning of section 349 of the Income and Corporation Taxes Act 1988 (“**ICTA**”) as long as they are and continue to be listed on a “recognised stock exchange” within the meaning of section 841 of ICTA. The Stock Exchange is such a recognised stock exchange. According to an HM Revenue & Customs press release, securities will be treated as listed on the Stock Exchange if they are admitted to the Official List by the UK Listing Authority and are admitted to trading on the Stock Exchange. Accordingly, payments of interest on the Notes may be made without withholding on account of UK income tax provided the 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 lower rate (currently 20 per cent.), subject to any direction to the contrary by HM Revenue & Customs under an applicable double taxation treaty, and except that the withholding obligation is disappplied 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, or fall within various categories enjoying a special tax status (including charities and pension funds), or are partnerships consisting of such persons (unless HM Revenue & Customs directs 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 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 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 HM Revenue

& Customs. HM Revenue & Customs may communicate such information to the tax authorities of other jurisdictions.

The EU has adopted a Directive regarding the taxation of savings income. The Directive provides for the tax authorities of Member States to provide each other with 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, for a transitional period unless during such period they elect otherwise. The transitional period will end after agreement on exchange of information is reached between the European Union and certain non-European Union states. 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 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 Notes on a basis which is broadly in accordance with their statutory accounting treatment so long as the accounting treatment is in accordance with, for accounting periods beginning on or before 31 December, 2004, a mark-to-market basis or an accruals basis which is authorised for tax purposes or, for accounting periods beginning on or after 1 January, 2005, 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 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 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 accounting 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 Notes may not be treated by HM 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 Notes to be redeemed in or re-denominated in euros. Therefore a disposal (including a redemption) of a 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 Note is attributable and who is not subject to UK corporation tax in respect of the 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 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 XVII of ICTA (the “**Scheme**”) may apply, in relation to a transfer of the 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).

As a result of the Step-Up Amounts, the 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 Note to receive interest on the relevant Note which has accrued since the preceding interest payment date in such amount as is just and reasonable. A transferee of a Note or a Class B 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 Notes or on a transfer of the Notes by delivery.

## SUBSCRIPTION AND SALE

The Royal Bank of Scotland plc acting through its office at 135 Bishops gate, London EC2M 3UR, Barclays Bank PLC acting through its office at 5 The North Colonnade, Canary Wharf, London E14 4BB and HSBC Bank plc acting through its office at 8 Canada Square, London E14 5HQ (together, the “**Managers**”) have, pursuant to a subscription agreement (the “**Subscription Agreement**”) between the Managers, the Issuer, the Obligors and W&DB dated 5 August, 2005, agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe, or to procure subscriptions for, the Class A1 Notes at the issue price of 100 per cent. of their initial principal amount, the Class A2 Notes at the issue price of 100 per cent. of their initial principal amount, the Class A3 Notes at the issue price of 100 per cent. of their initial principal amount and the Class B Notes at the issue price of 100 per cent. of their initial principal amount.

In the Subscription Agreement, each of the Issuer, the Obligors and W&DB has agreed to reimburse the Managers for certain of their fees, costs and expenses in connection with the issue of the Notes and related matters and each of the Issuer, the Obligors and W&DB has agreed to indemnify the Managers against certain liabilities incurred by them in connection therewith.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Managers in certain circumstances prior to payment for the Notes to the Issuer.

### **United Kingdom**

Each Manager has represented and agreed 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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer, and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect of anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### **United States**

Each of the Managers has also represented and agreed in the Subscription Agreement that it has not offered or sold, and will not offer or sell, the 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 Notes and the 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 Notes; and

- (b) it and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act

Each Manager has also undertaken in the 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 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, U.S. 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 Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

In addition:

- (a) each of the Managers 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 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 Notes that are sold during the restricted period;
- (b) each of the Managers 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 Notes are aware that the 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 any of the Managers is a United States person, such Manager has represented that it is acquiring the Notes for purposes of resale in connection with their original issue and if it retains 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 any Manager which acquires Notes from it for the purpose of offering or selling such Notes during the restricted period, the relevant 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).

Terms used in this paragraph have the meanings given to them by Regulation S and by the United States Internal Revenue Code 1986, as amended, and regulations thereunder, including the D Rules.

## **General**

Reference should be made to the 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 document.

## GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer passed on 4 August, 2005.
2. It is expected that admission of the Notes to the Official List and admission to trading on the Stock Exchange's Gilt Edged and Fixed Income Market will be granted on 9 August, 2005 subject only to issue of the Temporary Global Notes. The Stock Exchange's Gilt Edged and Fixed Income Market is a regulated market for the purposes of the Investment Services Directive. The listing of the Notes will be cancelled if the Temporary Global Notes are not issued. The total expenses related to the admission of the Notes to trading are estimated to be £15,000,000.
3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code and the ISIN for each class of Notes is as follows:

	Common Code	ISIN
Class A1 Notes	022678728	XS0226787280
Class A2 Notes	022679074	XS0226790748
Class A3 Notes	022679228	XS0226792280
Class B Notes	022689703	XS0226897030

4. Neither the Issuer nor the Issuer Parent are involved in any governmental, legal or arbitration proceedings which may have, or have had, since the date of their incorporation, a significant effect on their financial position or profitability, nor are the Issuer or the Issuer Parent aware that any such proceedings are pending or threatened.
5. None of the Obligors is involved in any governmental, legal or arbitration proceedings which may have, or have had, during the 12 months preceding the date of this document a significant effect on the Securitisation Group's or the issuer's financial position or profitability, nor are the Obligors aware that any such proceedings are pending or threatened.
6. Since the date of its incorporation, neither the Issuer nor the Initial Borrower has, save as disclosed in this document:
  - (a) commenced operations; or
  - (b) made up accounts as at the date of this document.
7. Since the date of its incorporation, the Issuer has entered into the Subscription Agreement, the Interest Rate Swap Agreement and the Issuer/Borrower Swap Agreement, being contracts entered into other than in its ordinary course of business.
8. The Issuer confirms that the assets backing the issue of the Notes, taken together with the other arrangements to be entered into by the Issuer on the Closing Date (including those described in *Overview of the Transaction above*), have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes.

9. Each of PricewaterhouseCoopers LLP and Christie & Co has given and has not withdrawn its written consent to the inclusion herein of its reports or review and references to them and to its name, as applicable, in the form and context in which they appear and have authorised the contents of those parts of this Offering Circular for the purposes of Rule 5.5.4(2)(f) of the prospectus rules made under Part VI of the FSMA.
10. There are no restrictions on the Managers, *inter alia*, acquiring 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 Managers having different roles in this transaction and/or carrying out other transactions for third parties.
11. Since 21 May, 2004 (being the date of incorporation of the Issuer), 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. Since 2 April, 2005 there has been no material adverse change in the financial or trading position of the Securitisation Group.
12. Since 16 May, 2005 (being the date of incorporation of the Initial Borrower), there has been no material adverse change in the financial position or prospects of the Initial Borrower and no significant change in the trading or financial position of the Initial Borrower.
13. Since 29 March, 2005 (being the date of incorporation of the Issuer Parent), there has been no material adverse change in the financial position or prospects of the Issuer Parent and no significant change in the trading or financial position of the Issuer Parent.
14. Save as disclosed in this document, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgage, charge or security or given any guarantees.
15. The Issuer will not publish interim accounts. The financial year end in respect of each of the Obligors is on or about 30 September in each year. The end of the accounting period in respect of the Issuer is 1 October, 2005. The first financial year after the Closing Date for each of the Obligors will end on 30 September, 2006. The first financial year in respect of the Issuer will be to 1 October.
16. Any website (or the contents thereof) referred to in this document does not form part of this document as approved by the Stock Exchange.
17. N M Rothschild & Sons Limited, which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting for W&DB and no-one else in relation to the transaction and will not be responsible to anyone other than W&DB for providing the protections afforded to clients of N M Rothschild & Sons Limited nor for providing advice in relation to the proposed transaction.
18. Copies of the following documents may be obtained (including, without limitation, the future financial information of the Issuer) during usual business hours at the registered office of the Issuer and the offices of the Principal Paying Agent at any time after the date

of this Offering Circular (or, in the case of the documents referred to in paragraph (g), at any time after the Closing Date) and for so long as any of the Notes remain outstanding:

- (a) the Memorandum and Articles of Association of the Issuer and each Obligor;
- (b) the balance sheet of the Issuer as at 1 August, 2005 and the accountants' report thereon;
- (c) the balance sheet of the Initial Borrower as at 1 August, 2005 and the accountants' report thereon;
- (d) the audited accounts of W&DB as at 2 October, 2004 and the auditor's report thereon;
- (e) the Valuation Report;
- (f) the consents referred to in paragraph 9 above; and
- (g) copies of the following documents:
  - (i) the Note Trust Deed;
  - (ii) the Agency Agreement; and
  - (iii) the Issuer Deed of Charge.

## INDEX OF DEFINED TERMS

*There follows an index of the defined terms used in this document, together with details of the page(s) on which such term is or are defined.*

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