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COMPANIES FORM No. 155(6)b

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

Please do not
write in
this margin

Pursuant to section 155(6) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use

Company number

--	--	--

00048254

Name of company

*Insert full name
of company

* Marston, Thompson & Evershed Limited (the "Company").

Note
Please read the
notes on page 3
before completing
this form

I/We† Please see Rider 1 attached.

†Insert name(s) and
address(es) of all
the directors

§ Delete as
appropriate

~~the sole director~~ [all the directors] § of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

The business of this company is:

‡Delete whichever
is inappropriate

- (a) ~~that of a recognised bank, licensed institution, within the meaning of the Banking Act 1979 ‡~~
(b) ~~that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry~~
~~an insurance business in the United Kingdom ‡~~
(c) something other than the above ‡

This company is [the] (a) holding company of* John Marston's Landlords Limited

which is

proposing to give financial assistance in connection with the acquisition of shares
in [this company]

~~the holding company of this company.] §~~

Presentor's name address and
reference (if any):

Freshfields
65 Fleet Street
London EC4Y 1HS
DX 23 LONDON
(DGW/SWJ/MIF)
(MF9)

For official use
General Section

Post room



The assistance is for the purpose of ~~that acquisition~~ [reducing or discharging a liability incurred for the purpose of that acquisition].* (note 1)

Please do not
write in
this margin

The number and class of the shares acquired or to be acquired is:

Please see Rider 2 attached.

Please complete
legibly, preferably
in black type, or
bold block lettering

The assistance is to be given to: (note 2)

W. & D. PLC (registered number 03674601) of Park Brewery, Bath Road, Wolverhampton WV1 4NY.

The assistance will take the form of:

Please see Rider 3 attached.

The person who [has acquired] ~~will acquire~~* the shares is: W. & D. PLC.

*Delete as
appropriate

The principal terms on which the assistance will be given are:

Please see Rider 4 attached.

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is Nil

The amount of cash to be transferred to the person assisted is £

Nil

The value of any asset to be transferred to the person assisted is £

Nil

Please do not
write in
this margin

The date on which the assistance is to be given is within 8 weeks of the date hereof

19

Please complete
legibly, preferably
in black type, or
bold block lettering

I/We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

†Delete either (a) or
(b) as appropriate

(a) [I/We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date] † (note 3)

~~(b) [It is intended to commence the winding-up of this company within 12 months of that date, and I/we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding-up.] † (note 3)~~

And I/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at

Park Brewery, Bath Road, Wolverhampton WV1 4NY

Declarants to sign below

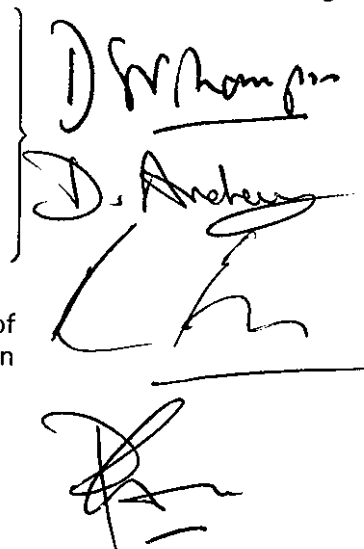
the 6th day of May
one thousand nine hundred and ninety nine

before me

PH 7

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

PETER HINGLEY
47 Queen Street
Wolverhampton
Solicitor



Notes

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account—see section 156(3) of the Companies Act 1985.
- 4 The auditors' report required by section 156(4) of the Companies Act 1985 must be annexed to this form.

Rider 1

Directors of the Company:

Name	Address
Derek Andrew	Church Hill House Church Hill Kinver Stourbridge DV7 6HY
David George Fossett Thompson	Albrighton Hall Nr Wolverhampton West Midlands WV7 3JQ
Ralph Graham Findlay	3 Wells Close Bridgnorth Shropshire WV6 5JQ
Paul Gilham	Starlings 8 Midway Walton-on-Thames Surrey KT12 3HY

Rider 2

92,812,958 ordinary shares of 25p each in the capital of the Company.

Rider 3

Certain terms and expressions used in this Rider 3 to this statutory declaration are defined below.

In connection with its acquisition of the entire issued share capital of the Company, W&DB entered into the Agreements and the Intercreditor Deed.

Each of the Agreements contains a covenant pursuant to which W&DB agrees to ensure that the Company and each of its Material Target Subsidiaries shall become an Additional Guarantor under each of the Agreements by the date falling 90 days after the Company becomes a subsidiary of W.&D.. The Company became a subsidiary of W.&D. on 5 February 1999.

In order to become an Additional Guarantor under each of the Agreements, the Company and each of the Material Target Subsidiaries has to deliver to the Agents guarantor accession memoranda substantially in the form prescribed in each of the Agreements, duly executed by W&DB and the relevant Material Target Subsidiary.

John Marston's Landlords Limited is a Material Target Subsidiary and will become a guarantor under each of the Agreements and accede to the Intercreditor Deed. The financial assistance from John Marston's Landlords Limited will take the form of:

- (a) the execution, delivery and performance by John Marston's Landlords Limited of its obligations under the Agreements pursuant to which it will guarantee in favour of the Finance Parties (as defined in the Agreements) and Barclays, (in the case of the Bilateral Loan Agreement) the obligations of Parent under the Agreements; and
- (b) the execution, delivery and performance of its obligations under the Intercreditor Deed.

Agents means Barclays, HSBC and Barclays under the Loan Agreement, the Subordinated Term Loan Agreement and the Bilateral Loan Agreement respectively.

Agreements means the Loan Agreement, the Subordinated Term Loan Agreement and the Bilateral Loan Agreement.

Barclays means Barclays Bank PLC.

Barclays Capital means Barclays Capital, the investment banking division of Barclays Bank PLC.

Bilateral Loan Agreement means a loan agreement as amended from time to time dated 21 January 1999 with W&DB as borrower; W&DB Trading and W.&D. as original guarantors and Barclays as bank.

HSBC means HSBC Investment Bank plc.

Intercreditor Deed means an intercreditor deed dated 21 January 1999 between, amongst others, Barclays as Senior Agent, HSBC as Subordinated Agent and W&DB as Obligor.

Loan Agreement means a loan agreement as amended from time to time dated 26 November 1998 between W&DB as parent, W. & D. PLC and W&DB as original borrowers; W&DB, W&DB Trading and W.&D. as original guarantors; Barclays Capital and HSBC as arrangers; Barclays as agent and security trustee; and certain banks outlined therein.

Material Target Subsidiaries means John Marston's Landlords Limited and John Marston's Taverners Limited.

Subordinated Term Loan Agreement means a loan agreement as amended from time to time dated 21 January 1999 between W&DB as parent, W.&D. as borrower; W&DB and W&DB Trading as original guarantors; HSBC as security agent and trustee and certain banks outlined therein.

W.&D. means W. & D. PLC (registered number 03674601).

W&DB means The Wolverhampton & Dudley Breweries, public limited company (registered number 00031461).

W&DB Trading means Wolverhampton & Dudley Breweries (Trading) Limited (registered number 00040590).

Rider 4

The principal terms on which the assistance will be given are set out in Clauses 22 (*Guarantee and Indemnity*), 19 (*Guarantee and Indemnity*) and 18 (*Guarantor Guarantee and Indemnity*) in the Loan Agreement, the Subordinated Term Loan Agreement and the Bilateral Loan Agreement respectively and in the Intercreditor Deed.

For the purposes of this Rider 4, the defined terms and expressions used in Rider 3 to this statutory declaration shall apply unless otherwise stated.

1. LOAN AGREEMENT

GUARANTEE AND INDEMNITY

Parent Guarantee and Indemnity

Under the Loan Agreement, the Parent irrevocably and unconditionally:

- (i) guarantees to each Finance Party the due and punctual observance and performance of all the terms, conditions and covenants on the part of each Borrower (other than the Parent) contained in the Finance Documents and agrees to pay from time to time on demand any and every sum or sums of money which each Borrower (other than the Parent) is at any time liable to pay to any Finance Party under or pursuant to the Finance Documents and which has become due and payable but has not been paid at the time such demand is made; and
- (ii) agrees as a primary obligation to indemnify each Finance Party from time to time on demand from and against any loss incurred by any Finance Party as a result of any of the obligations of each Borrower (other than the Parent) under or pursuant to the Finance Documents being or becoming void, voidable, unenforceable or ineffective as against such Borrower for any reason whatsoever, whether or not known to any Finance Party or any other person, the amount of such loss being the amount which the person or persons suffering it would otherwise have been entitled to recover from such Borrower.

Other Guarantors Guarantee and Indemnity

By becoming Additional Guarantors under the Loan Agreement, the Company and John Marston's Landlords Limited each irrevocably and unconditionally:

- (i) guarantee to each Finance Party the due and punctual observance and performance of all the terms, conditions and covenants on the part of the Parent contained in the Finance Documents and agree to pay from time to time on demand any and every sum or sums of money which the Parent is at any time liable to pay to any Finance Party under or pursuant

to the Finance Documents and which has become due and payable but has not been paid at the time such demand is made; and

- (ii) agree as primary obligation to indemnify each Finance Party from time to time on demand from and against any loss incurred by any Finance Party as a result of any of the obligations of the Parent under or pursuant to the Finance Documents being or becoming void, voidable, unenforceable or ineffective as against the Parent for any reason whatsoever, whether or not known to any Finance Party or any other person, the amount of such loss being the amount which the person or persons suffering it would otherwise have been entitled to recover from the Parent.

Additional Security

The obligations of the Company and John Marston's Landlords Limited as Additional Guarantors under the Loan Agreement shall be in addition to and independent of every other security which any Finance Party may at any time hold in respect of any of any Obligor's obligations under the Finance Documents.

Continuing Obligations

The obligations of the Company and John Marston's Landlords Limited as Additional Guarantors under the Loan Agreement shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the obligations of the Obligors under the Finance Documents and shall continue in full force and effect until final payment in full of all amounts owing by any Obligor under the Finance Documents and total satisfaction of all the Obligors' actual and contingent obligations under the Finance Documents.

Obligations not Discharged

Neither the obligations of the Company and John Marston's Landlords Limited as Additional Guarantors under the Loan Agreement nor the rights, powers and remedies conferred in respect of the Company and John Marston's Landlords Limited as Additional Guarantors under the Loan Agreement upon any Finance Party by the Finance Documents or by law shall be discharged, impaired or otherwise affected by:

- (i) the winding-up, dissolution, administration or re-organisation of any Obligor or any other person or any change in its status, function, control or ownership;
- (ii) any of the obligations of any Obligor or any other person under the Finance Documents or under any other security taken in respect of any

of its obligations under the Finance Documents being or becoming illegal, invalid, unenforceable or ineffective in any respect;

- (iii) time or other indulgence being granted or agreed to be granted to any Obligor in respect of its obligations under the Finance Documents or under any such other security;
- (iv) any amendment to, or any variation, waiver or release of, any obligation of any Obligor under the Finance Documents or under any such other security;
- (v) any failure to take, or fully to take, any security contemplated hereby or otherwise agreed to be taken in respect of any Obligor's obligations under the Finance Documents;
- (vi) any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any security taken in respect of any Obligor's obligations under the Finance Documents;
- (vii) the release of any other obligation of any other person under the terms of any composition or arrangement with any creditor of any member of the Group; or
- (viii) any other act, event or omission which, but for this clause, might operate to discharge, impair or otherwise affect any of the obligations of the Company and John Marston's Landlords Limited as Additional Guarantors under the Loan Agreement or any of the rights, powers or remedies conferred upon any of the Finance Parties by the Finance Documents or by law.

Settlement Conditional

Under the Loan Agreement any settlement or discharge between an Obligor and any of the Finance Parties shall be conditional upon no security or payment to any Finance Party by an Obligor or any other person on behalf of an Obligor being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application and, if any such security or payment is so avoided or reduced, each Finance Party shall be entitled to recover the value or amount of such security or payment from such Obligor subsequently as if such settlement or discharge had not occurred.

Exercise of Rights

Under the Loan Agreement no Finance Party shall be obliged before exercising any of the rights, powers or remedies conferred upon them in respect of the Company and John Marston's Landlords Limited as Additional Guarantors under the Loan Agreement by the Finance Documents or by law:

- (i) to make any demand of any Obligor;
- (ii) to take any action or obtain judgment in any court against any Obligor;
- (iii) to make or file any claim or proof in a winding-up or dissolution of any Obligor; or
- (iv) to enforce or seek to enforce any other security taken in respect of any of the obligations of any Obligor under the Finance Documents.

Deferral of Additional Guarantor's Rights

The Company and John Marston's Landlords Limited as Additional Guarantors under the Loan Agreement agree that, so long as any amounts are or may be owed by an Obligor under the Finance Documents or an Obligor is under any actual or contingent obligations under the Finance Documents, they shall not exercise any rights which they may at any time have by reason of performance by them of their obligations under the Finance Documents:

- (i) to be indemnified by an Obligor; and/or
- (ii) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents; and/or
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other security taken pursuant to, or in connection with, the Finance Documents by all or any of the Finance Parties.

Suspense Accounts

Under the Loan Agreement, all moneys received, recovered or realised by a Bank by virtue of the guarantee provided by the Company and John Marston's Landlords Limited respectively may, in that Bank's discretion, be credited to a suspense or impersonal account and may be held in such account for so long as such Bank thinks fit pending the application from time to time (as such Bank may think fit) of such moneys in or towards the payment and discharge of any amounts owing by an Obligor to such Bank under the Finance Documents.

For the purposes of the Loan Agreement only, the following definitions apply (and all references to clause numbers or schedules are to clauses and schedules therein):

Additional Borrower means any company which has become an Additional Borrower in accordance with Clause 33 (*Additional Borrowers*).

Additional Guarantor means any company which has become an Additional Guarantor in accordance with Clause 34 (*Additional Guarantors*).

Agent means Barclays acting as agent for the Banks.

Arrangers means Barclays Capital and HSBC as arrangers of the Facilities.

Bank means any financial institution:

- (a) named in Schedule 1 (*The Banks*); or
- (b) which has become a party to the Loan Agreement in accordance with Clause 32.4 (*Assignments by Banks*) or Clause 32.5 (*Transfers by Banks*).

and which has not ceased to be a party to the Loan Agreement in accordance with the terms thereof.

BidCo means W. & D..

Borrowers means each of the Original Borrowers and each Additional Borrower, **provided that** such company has not been released from its rights and obligations hereunder in accordance with Clause 33.3 (*Resignation of a Borrower*).

Borrower Accession Memorandum means a memorandum substantially in the form set out in Schedule 7 (*Form of Borrower Accession Memorandum*).

Debenture means the debenture executed by BidCo in favour of the Security Trustee pursuant to which BidCo provides fixed and floating charges over all of its assets (including all of its shares from time to time in Target) to the Security Trustee, such debenture to be released upon the occurrence of the Target Guarantee Date in accordance with the provisions of the Security Trust Agreement.

Facilities means the Term Facility and the Revolving Facility.

Finance Documents means the Loan Agreement, any Borrower Accession Memorandum, any Guarantor Accession Memorandum and any Security Document and any other agreement which the Parent and the Arrangers agree is a Finance Document.

Finance Parties means the Agent, the Security Trustee, the Arrangers and the Banks.

Group means the Parent and its subsidiaries for the time being.

Guarantors means each of the Original Guarantors and each Additional Guarantor, **provided that** such company has not been released from its rights and obligations under the Loan Agreement in accordance with Clause 34.3 (*Resignation of a Guarantor*).

Guarantor Accession Memorandum means a memorandum substantially in the form set out in Schedule 8 (*Form of Guarantor Accession Memorandum*).

Obligors means the Borrowers and the Guarantors.

Original Borrowers means BidCo and the Parent in their capacity as Borrowers under the Loan Agreement.

Original Guarantors means W&DB Trading and BidCo in their capacity as guarantors under the Loan Agreement.

Parent means W&DB.

Revolving Facility means the revolving loan facility granted to the Borrowers in the Loan Agreement.

Security Documents means the Security Trust Agreement, the Debenture and any other security executed by any member of the Group on or after the date of the Loan Agreement in favour of the Security Trustee in respect of any obligations of any Obligor under the Finance Documents.

Security Trust Agreement means the security trust agreement dated 19 February 1999 between the Security Trustee, the Agent and others.

Security Trustee means Barclays acting as Security Trustee for the Finance Parties.

Target Guarantee Date means the date upon which the Agent notifies BidCo that the Banks are satisfied (acting reasonably) that the Parent has complied with the provisions of paragraph (a) of Clause 20.10.1 (*Acceding Guarantors*).

Term Facility means the term loan facility granted to BidCo in the Loan Agreement.

the **winding-up, dissolution or administration** of a company or corporation 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 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 of debtors.

2. SUBORDINATED TERM LOAN AGREEMENT

GUARANTEE AND INDEMNITY

Parent Guarantee and Indemnity

Under the Subordinated Term Loan Agreement the Parent irrevocably and unconditionally:

- (i) guarantees to each Finance Party the due and punctual observance and performance of all the terms, conditions and covenants on the part of the Borrower contained in the Finance Documents and agrees to pay from time to time on demand any and every sum or sums of money which the Borrower is at any time liable to pay to any Finance Party under or pursuant to the Finance Documents and which has become due and payable but has not been paid at the time such demand is made; and
- (ii) agrees as a primary obligation to indemnify each Finance Party from time to time on demand from and against any loss incurred by any Finance Party as a result of any of the obligations of the Borrower under or pursuant to the Finance Documents being or becoming void, voidable, unenforceable or ineffective as against the Borrower for any reason whatsoever, whether or not known to any Finance Party or any other person, the amount of such loss being the amount which the person or persons suffering it would otherwise have been entitled to recover from the Borrower.

Other Guarantors Guarantee and Indemnity

Under the Subordinated Term Loan Agreement, by becoming Additional Guarantors, the Company and John Marston's Landlords Limited each irrevocably and unconditionally:

- (i) guarantee to each Finance Party the due and punctual observance and performance of all the terms, conditions and covenants on the part of the Parent contained in the Finance Documents and agree to pay from time to time on demand any and every sum or sums of money which the Parent is at any time liable to pay to any Finance Party under or pursuant to the Finance Documents and which has become due and payable but has not been paid at the time such demand is made; and
- (ii) agree as primary obligation to indemnify each Finance Party from time to time on demand from and against any loss incurred by any Finance Party as a result of any of the obligations of the Parent under or pursuant to the Finance Documents being or becoming void, voidable, unenforceable or ineffective as against the Parent for any reason whatsoever, whether or not known to any Finance Party or any other person, the amount of such

loss being the amount which the person or persons suffering it would otherwise have been entitled to recover from the Parent.

Additional Security

Under the Subordinated Term Loan Agreement the obligations of the Company and of John Marston's Landlords Limited as Additional Guarantors shall be in addition to and independent of every other security which any Finance Party may at any time hold in respect of any of any Obligor's obligations under the Finance Documents.

Continuing Obligations

Under the Subordinated Term Loan Agreement the obligations of the Company and of John Marston's Landlords Limited as Additional Guarantors shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the obligations of the Obligors under the Finance Documents and shall continue in full force and effect until final payment in full of all amounts owing by any Obligor under the Finance Documents and total satisfaction of all the Obligors' actual and contingent obligations under the Finance Documents.

Obligations not Discharged

Under the Subordinated Term Loan Agreement neither the obligations of the Company and of John Marston's Landlords Limited as Additional Guarantors nor the rights, powers and remedies conferred in respect of the Company and of John Marston's Landlords Limited as Additional Guarantors upon any Finance Party by the Finance Documents or by law shall be discharged, impaired or otherwise affected by:

- (i) the winding-up, dissolution, administration or re-organisation of any Obligor or any other person or any change in its status, function, control or ownership;
- (ii) any of the obligations of any Obligor or any other person under the Finance Documents or under any other security taken in respect of any of its obligations under the Finance Documents being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- (iii) time or other indulgence being granted or agreed to be granted to any Obligor in respect of its obligations under the Finance Documents or under any such other security;
- (iv) any amendment to, or any variation, waiver or release of, any obligation of any Obligor under the Finance Documents or under any such other security;

- (v) any failure to take, or fully to take, any security contemplated hereby or otherwise agreed to be taken in respect of any Obligor's obligations under the Finance Documents;
- (vi) any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any security taken in respect of any Obligor's obligations under the Finance Documents;
- (vii) the release of any other obligation of any other person under the terms of any composition or arrangement with any creditor of any member of the Group; or
- (viii) any other act, event or omission which, but for this clause, might operate to discharge, impair or otherwise affect any of the obligations of the Company and John Marston's Landlords Limited as Additional Guarantors or any of the rights, powers or remedies conferred upon any of the Finance Parties by the Finance Documents or by law.

Settlement Conditional

Under the Subordinated Term Loan Agreement, any settlement or discharge between an Obligor and any of the Finance Parties shall be conditional upon no security or payment to any Finance Party by an Obligor or any other person on behalf of an Obligor being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application and, if any such security or payment is so avoided or reduced, each Finance Party shall be entitled to recover the value or amount of such security or payment from such Obligor subsequently as if such settlement or discharge had not occurred.

Exercise of Rights

Under the Subordinated Term Loan Agreement, no Finance Party shall be obliged before exercising any of the rights, powers or remedies conferred upon them in respect of the Company and John Marston's Landlords Limited as Additional Guarantors by the Finance Documents or by law:

- (i) to make any demand of any Obligor;
- (ii) to take any action or obtain judgment in any court against any Obligor;
- (iii) to make or file any claim or proof in a winding-up or dissolution of any Obligor; or
- (iv) to enforce or seek to enforce any other security taken in respect of any of the obligations of any Obligor under the Finance Documents.

Deferral of Additional Guarantor's Rights

The Company and John Marston's Landlords Limited as Additional Guarantors under the Subordinated Term Loan Agreement agree that, so long as any amounts are or may be owed by an Obligor under the Finance Documents or an Obligor is under any actual or contingent obligations under the Finance Documents, they shall not exercise any rights which they may at any time have by reason of performance by them of their obligations under the Finance Documents:

- (i) to be indemnified by an Obligor; and/or
- (ii) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents; and/or
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other security taken pursuant to, or in connection with, the Finance Documents by all or any of the Finance Parties.

Suspense Accounts

Under the Subordinated Term Loan Agreement, all moneys received, recovered or realised by a Bank by virtue of the guarantees provided by the Company and by John Marston's Landlords Limited respectively may, in that Bank's discretion, be credited to a suspense or impersonal account and may be held in such account for so long as such Bank thinks fit pending the application from time to time (as such Bank may think fit) of such moneys in or towards the payment and discharge of any amounts owing by an Obligor to such Bank under the Finance Documents.

For the purposes of the Subordinated Term Loan Agreement only, the following definitions apply (and any references to clauses or schedules are to clauses and schedules therein):

Additional Guarantor means any company which has become an Additional Guarantor in accordance with Clause 30 (*Additional Guarantors*).

Agent means HSBC as agent for the Banks.

Bank means any financial institution:

- (a) named in Schedule 1 (*The Banks*); or
- (b) which has become a party to the Subordinated Term Loan Agreement in accordance with Clause 29.4 (*Assignments by Banks*) or Clause 29.5 (*Transfers by Banks*),

and which has not ceased to be a party to the Subordinated Term Loan Agreement in accordance with the terms of the Subordinated Term Loan Agreement.

Borrower means W. & D. in its capacity as borrower under the Subordinated Term Loan Agreement.

Debenture means, if permitted by the terms of the Senior Term Facility Agreement, the debenture executed by the Borrower in favour of the Security Trustee pursuant to which the Borrower provides fixed and floating charges over all of its assets (including all of its shares from time to time in Target) to the Security Trustee.

Finance Documents means the Subordinated Term Loan Agreement, any Guarantor Accession Memorandum and any Security Document and any other agreement which the Parent and the Agent agree is a Finance Document.

Finance Parties means the Agent, the Security Trustee and the Banks.

Group means the Parent and its subsidiaries for the time being.

Guarantors mean each of the Original Guarantors and each Additional Guarantor, **provided that** such company has not been released from its rights and obligations under the Subordinated Term Loan Agreement in accordance with Clause 30.3 (*Resignation of a Guarantor*).

Guarantor Accession Memorandum means a memorandum substantially in the form set out in Schedule 7 (*Form of Guarantor Accession Memorandum*).

Obligors means the Borrowers and the Guarantors.

Original Guarantors means W&DB and W&DB Trading in their capacity as guarantors under the Subordinated Term Loan Agreement.

Parent means the W&DB.

Security Documents means the Security Trust Agreement, the Debenture and any other security executed by any member of the Group on or after the date of the Subordinated Term Loan Agreement in favour of the Security Trustee in respect of any obligations of any Obligor under the Finance Documents.

Security Trust Agreement means the security trust agreement dated 19 February 1999 between the Security Trustee, the Agent and others.

Security Trustee means HSBC as security trustee for the Finance Parties.

Senior Term Facility Agreement means the Loan Agreement.

the *winding-up, dissolution* or *administration* of a company or corporation 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 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 of debtors.

3. BILATERAL LOAN AGREEMENT

GUARANTEE AND INDEMNITY

Guarantors Guarantee and Indemnity

By becoming Additional Guarantors under the Bilateral Loan Agreement, the Company and John Marston's Landlords Limited each irrevocably and unconditionally:

- (i) guarantee to the Bank the due and punctual observance and performance of all the terms, conditions and covenants on the part of the Borrower contained in the Finance Documents and agree to pay from time to time on demand any and every sum or sums of money which the Borrower is at any time liable to pay to the Bank under or pursuant to the Finance Documents and which has become due and payable but has not been paid at the time such demand is made; and
- (ii) agree as a primary obligation to indemnify the Bank from time to time on demand from and against any loss incurred by the Bank as a result of any of the obligations of the Borrower under or pursuant to the Finance Documents being or becoming void, voidable, unenforceable or ineffective as against the Borrower for any reason whatsoever, whether or not known to the Bank or any other person, the amount of such loss being the amount which the person or persons suffering it would otherwise have been entitled to recover from the Borrower.

Additional Security

Under the Bilateral Loan Agreement, the obligations of the Company and John Marston's Landlords Limited as Additional Guarantors shall be in addition to and independent of every other security which the Bank may at any time hold in respect of any of any Obligor's obligations under the Finance Documents.

Continuing Obligations

Under the Bilateral Loan Agreement, the obligations of the Company and John Marston's Landlords Limited as Additional Guarantors shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the obligations of the Obligors under the Finance Documents and shall continue in full force and effect until final payment in full of all amounts owing by any Obligor under the Finance Documents and total satisfaction of all the Obligors' actual and contingent obligations under the Finance Documents.

Obligations not Discharged

Neither the obligations of the Company and John Marston's Landlords Limited as Additional Guarantors under the Bilateral Loan Agreement nor the rights, powers and remedies conferred in respect of the Company and John Marston's Landlords Limited as Additional Guarantors under the Bilateral Loan Agreement upon the Bank by the Finance Documents or by law shall be discharged, impaired or otherwise affected by:

- (i) the winding-up, dissolution, administration or re-organisation of any Obligor or any other person or any change in its status, function, control or ownership;
- (ii) any of the obligations of any Obligor or any other person under the Finance Documents or under any other security taken in respect of any of its obligations under the Finance Documents being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- (iii) time or other indulgence being granted or agreed to be granted to any Obligor in respect of its obligations under the Finance Documents or under any such other security;
- (iv) any amendment to, or any variation, waiver or release of, any obligation of any Obligor under the Finance Documents or under any such other security;
- (v) any failure to take, or fully to take, any security contemplated hereby or otherwise agreed to be taken in respect of any Obligor's obligations under the Finance Documents;
- (vi) any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any security taken in respect of any Obligor's obligations under the Finance Documents;
- (vii) the release of any other obligation of any other person under the terms of any composition or arrangement with any creditor of any member of the Group; or
- (viii) any other act, event or omission which, but for this clause, might operate to discharge, impair or otherwise affect any of the obligations of the Company or of John Marston's Landlords Limited as Additional Guarantors under the Bilateral Loan Agreement or any of the rights, powers or remedies conferred upon the Bank by the Finance Documents or by law.

Settlement Conditional

Under the Bilateral Loan Agreement, any settlement or discharge between an Obligor and the Bank shall be conditional upon no security or payment to the Bank by an Obligor or any other person on behalf of an Obligor being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application and, if any such security or payment is so avoided or reduced, the Bank shall be entitled to recover the value or amount of such security or payment from such Obligor subsequently as if such settlement or discharge had not occurred.

Exercise of Rights

Under the Bilateral Loan Agreement, the Bank shall not be obliged before exercising any of the rights, powers or remedies conferred upon it in respect of the Company or of John Marston's Landlords Limited as Additional Guarantors by the Finance Documents or by law:

- (i) to make any demand of any Obligor;
- (ii) to take any action or obtain judgment in any court against any Obligor;
- (iii) to make or file any claim or proof in a winding-up or dissolution of any Obligor; or
- (iv) to enforce or seek to enforce any other security taken in respect of any of the obligations of any Obligor under the Finance Documents.

Deferral of Additional Guarantor's Rights

Under the Bilateral Loan Agreement, by becoming Additional Guarantors, the Company and John Marston's Landlords Limited each agree that, so long as any amounts are or may be owed by an Obligor under the Finance Documents or an Obligor is under any actual or contingent obligations under the Finance Documents, they shall not exercise any rights which they may at any time have by reason of performance by them of their obligations under the Finance Documents:

- (i) to be indemnified by an Obligor; and/or
- (ii) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents; and/or
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Bank under the Finance Documents or of any other security taken pursuant to, or in connection with, the Finance Documents by the Bank.

Suspense Accounts

Under the Bilateral Loan Agreement, all moneys received, recovered or realised by the Bank by virtue of the guarantee provided by the Company and by John Marston's Landlords Limited respectively may, in its discretion, be credited to a suspense or impersonal account and may be held in such account for so long as the Bank thinks fit pending the application from time to time (as the Bank may think fit) of such moneys in or towards the payment and discharge of any amounts owing by an Obligor to the Bank under the Finance Documents.

For the purposes of the Bilateral Loan Agreement only, the following definitions apply (and any references to clauses or schedules are to clauses and schedules therein):

Additional Guarantor means any company which has become an additional guarantor in accordance with Clause 27 (*Additional Guarantors*).

Bank means Barclays.

Borrower means W&DB.

Finance Documents means the Bilateral Loan Agreement, any Guarantor Accession Memorandum and any other agreement which the Borrower and the Bank agree is a Finance Document.

Guarantors means each of the Original Guarantors and each Additional Guarantor, **provided that** any such company has not been released from its rights and obligations under the Bilateral Loan Agreement in accordance with Clause 27.3 (*Resignation of a Guarantor*).

Guarantor Accession Memorandum means a memorandum substantially in the form set out in Schedule 6 (*Form of Guarantor Accession Memorandum*).

Obligors means the Borrower and the Guarantors.

Original Guarantors means W&DB Trading and W. & D. in their capacity as guarantors under the Bilateral Loan Agreement.

the ***winding-up, dissolution or administration*** of a company or corporation 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 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 of debtors.

4. INTERCREDITOR DEED

By acceding to the Intercreditor Deed the Company and John Marston's Landlords Limited agree that the Senior Liabilities rank in priority to the Subordinated Liabilities and agree not to pay, prepay, purchase or acquire any of the Subordinated Liabilities except in certain circumstances and agree not to amend any term of the Subordinated Documents except in certain circumstances.

For the purposes of the Intercreditor Deed only, the following definitions apply (and any references to clauses or schedules are to clauses or schedules therein):

Bilateral Bank means Barclays.

Obligor means the Original Obligors and any other party who becomes a guarantor of or otherwise becomes liable for (except as a provider) any of the Senior Liabilities or the Subordinated Liabilities.

Original Obligors means W. & D., W&DB and W&DB Trading.

Overdraft Bank means Barclays.

Overdraft Facility Agreement means the overdraft facility made between, inter alia, the Overdraft Bank and the Borrower (as defined therein), under which the Overdraft Bank has agreed to make available to the Borrower (as defined in the Overdraft Facility Agreement) an overdraft facility of such amount and on the terms referred to in the Overdraft Facility Agreement for the purposes therein mentioned.

Permitted Indebtedness Agreement means any documents entered into after the date hereof pursuant to which a Permitted Indebtedness Lender grants to any Obligor Financial Indebtedness described in paragraphs (g) or (k) of the definition of "Permitted Indebtedness" in the Senior Facilities Agreement.

Permitted Indebtedness Lender means any person becoming a party to the Intercreditor Deed by executing and delivering to the Senior Agent a Deed of Accession in accordance with such Intercreditor Deed.

Senior Agent means Barclays as agent for the Banks as defined in the Senior Facilities Agreement.

Senior Documents means each of the Senior Facilities Agreement, the Overdraft Facility Agreement, the Bilateral Loan Agreement or, as the case may be, a Permitted Indebtedness Agreement and any documents entered into pursuant thereto.

Senior Facilities Agreement means the Loan Agreement under which the Senior Lenders have agreed to make available to the Borrowers (as defined in the

Senior Facilities Agreement) loan facilities of such amount and on the terms referred to in the Senior Facilities Agreement for the purposes therein mentioned.

Senior Lenders means each of the Banks, from time to time, defined in the Senior Facilities Agreement.

Senior Liabilities means all present and future sums, liabilities and obligations whatsoever (actual or contingent) payable, owing due or incurred by any Obligor to any of the Senior Agent, the Senior Lenders, the Overdraft Bank, the Bilateral Bank or any Permitted Indebtedness Lender pursuant to the terms of the Senior Documents.

Subordinated Agent means HSBC as agent for the Subordinated Lenders under the Subordinated Facility Agreement.

Subordinated Documents means the Subordinated Facility Agreement and any documents entered into pursuant thereto.

Subordinated Facility Agreement means the Subordinated Term Loan Agreement under which the Subordinated Lenders have agreed to make available to W.&D. a loan facility of such amount and on the terms referred to in the Subordinated Facility Agreement.

Subordinated Lenders means the Banks, from time to time, defined in the Subordinated Facility Agreement.

Subordinated Liabilities means all present and future sums, liabilities and obligations whatsoever (actual or contingent) payable, owing, due or incurred by any Obligor to any of the Subordinated Agent and the Subordinated Lenders pursuant to the terms of the Subordinated Documents.

PricewaterhouseCoopers
Temple Court
35 Bull Street
Birmingham B4 6JT
Telephone +44 (0) 121 265 5000
Facsimile +44 (0) 121 265 5050

The Directors
Marston, Thompson & Evershed Limited
The Brewery
Shobnall Road
Burton on Trent
Staffordshire
DE14 2BW

6 May 1999

Reference: whis09mm

Dear Sirs

**Auditors' report to the directors of Marston, Thompson & Evershed Limited
pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors of Marston, Thompson & Evershed Limited ('the Company') dated 6 May 1999 in connection with the proposal that the Company's subsidiary undertaking, John Marston's Landlords Limited, should give financial assistance for the purchase of the whole of the issued ordinary share capital of the Company.

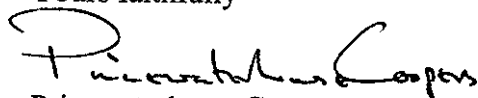
Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors