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## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

# 395

Pursuant to section 395 of the Companies Act 1985

CHA 116

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

\*insert full name  
of company

To the Registrar of Companies

For official use

Company number

288

02850597

Name of company

\* Mercury Taverns plc (the "Chargor")

Date of creation of the charge

11 June 1998

Description of the instrument (if any) creating or evidencing the charge (note 2)

A Guarantee and Debenture dated 11 June 1998 between the charging companies listed in Part II of the attached Schedule (1) Pubmaster Limited (formerly Pubmaster Trading Limited) (2) and HSBC Investment Bank plc (as Security Trustee) (3) (the "Debenture")

Amount secured by the mortgage or charge

See Part IV of the attached Schedule

Names and addresses of the mortgagees or persons entitled to the charge

HSBC Investment Bank plc  
Vintners Place  
68 Upper Thames Street  
London EC4V 3BS

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

Lovell White Durrant  
65 Holborn Viaduct  
London  
EC1A 2DY

A7/AT/BP/SHW/159810

Time critical reference

For official use  
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

As specified in Parts V and VI (inclusive) of the attached Schedule.

NB: The attached Schedule contains covenants by and restrictions on the Chargor which protect and further define the charges and which must be read as part of the charges created.

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Particulars as to commission allowance or discount (note 3)

N/A

Signed

*Lovell White Durrant*

Date

*24/6/98*

On behalf of ~~company~~ [mortgagee/chargee] †

† delete as  
appropriate

## NOTES

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
  - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

**SCHEDULE TO FORM 395  
(MERCURY TAVERNS PLC)**

**Part I  
Definitions**

<b>"Agent"</b>	means HSBC Investment Bank plc in its capacity as agent and security trustee for the Beneficiaries and any successor agent appointed under the terms of the Facilities Agreement;
<b>"Agreed Terms"</b>	has the same meaning given to it in the Facilities Agreement;
<b>"Banks"</b>	has the same meaning given to it in the Facilities Agreement;
<b>"Beneficiaries"</b>	means collectively the Agent, the Security Trustee, the Banks, the Underwriters, the Hedging Counterparties, the Overdraft Bank, the Issuing Bank, the Subordinated Loan Stock Holders and includes any one or more of them and <b>"Beneficiary"</b> shall be construed accordingly;
<b>"Borrowers"</b>	has the same meaning given to it in the Facilities Agreement;
<b>"Brand Names"</b>	has the same meaning given to it in the Facilities Agreement;
<b>"Charged Property"</b>	means the property charged pursuant to clause 4 ( <i>Charging Clause</i> ) of the Debenture and pursuant to each of the Legal Mortgages;
<b>"Charging Companies"</b>	means the companies listed in Part II of this Schedule and <b>"Charging Company"</b> means one or more of them, as the context may require;
<b>"Companies"</b>	means the companies listed in Part III of this Schedule; and <b>"Company"</b> means one or more of them, as the context may require;
<b>"Debenture Date"</b>	means the date of the Debenture, 11 June 1998;
<b>"Designated Account"</b>	has the meaning given to it in clause 4(a) of Part VI of this Schedule;
<b>"Designation Date"</b>	the date on which the Chargor notifies the Agent that it has complied with its obligations under clause 7.1(e)(ii) of the Debenture (and the instructions and acknowledgement to be issued by each of the Charging Companies and TSB Bank plc respectively have been executed and delivered);
<b>"Encumbrance"</b>	includes any mortgage, pledge, lien, hypothecation, charge, assignment or deposit by way of security or

any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing any form of security to a creditor (but shall not include title retention arrangements entered into in the ordinary course of business by the relevant Group Company);

**"Event of Default"**

means any of the events specified in clause 18.1 (*Termination in Case of Default*) of the Facilities Agreement;

**"Facilities Agreement"**

means the facilities agreement dated 6 November 1996 and made between the Principal Borrower (1), HSBC Investment Bank plc and The Governor and Company of the Bank of Scotland (as Underwriters) (2) HSBC Investment Bank plc and The Governor and Company of the Bank of Scotland (as Joint Arrangers) (3) HSBC Investment Bank plc (as Agent) (4) and HSBC Investment Bank plc (as Security Trustee) (5) (as amended pursuant to a deed of amendment dated 5 June 1997, an amendment agreement dated 4 August 1997, a second amendment agreement dated 5 September 1997 and a third amendment agreement dated 11 June 1998) which expression shall include any amendments, supplements, accessions, variations or additions to such agreement, (including without limitation changes to the facilities provided thereunder or increases in their maximum amount);

**"Fees Letter"**

has the same meaning given to it in the Facilities Agreement;

**"First Supplemental Guarantee and Debenture"**

means the supplemental guarantee and debenture dated 6 August 1997 between Pubmaster Limited (1) Pubmaster Group Limited and Cousin of Pubmaster Limited (2) and HSBC Investment Bank plc (as agent and security trustee) (3) which expression shall include any amendments, supplements, accessions, variations or additions to such agreements;

**"Group"**

means at any time the Principal Borrower and its Subsidiaries at that time (but including the Target Group before as well as after Completion) and **"Group Company"** means any of them;

**"Guarantors"**

means the Charging Companies or any of them in their capacity as guarantors under the Guarantee and Debenture and Pubmaster Limited in its capacity as guarantor under the First Supplemental Guarantee and Debenture and **"Guarantor"** shall mean any of the Guarantors as the context may admit or require;

<b>"Guarantee and Debenture"</b>	means the guarantee and debenture dated 25 November 1996 between the Companies (as defined therein) (1) and HSBC Investment Bank plc (as agent and security trustee) (2) which expression shall include any amendments, supplements, accessions, variations or additions to such agreement;
<b>"Hedging Agreements"</b>	means the interest rate and/or currency management agreements referred to in clause 15.26 ( <i>Hedging Agreements</i> ) of the Facilities Agreement and any other agreements entered into between a Hedging Counterparty and any Group Company at any time for the purpose of managing or hedging the interest rate and/or currency risk under the Facilities Agreement whether by way of cap, collar, swap or otherwise and " <b>Hedging Agreement</b> " shall be construed accordingly;
<b>"Hedging Counterparty"</b>	means any Bank which is a counterparty under any Hedging Agreement and " <b>Hedging Counterparties</b> " shall be construed accordingly;
<b>"Interests in Security"</b>	means all the property described in paragraph 1(g)(i) to (iv) inclusive of Part V of this Schedule;
<b>"Issuing Bank"</b>	has the same meaning given to it in the Facilities Agreement;
<b>"Legal Mortgages"</b>	<p>means each of the legal mortgages, supplemental to the Guarantee and Debenture, the First Supplemental Guarantee and Debenture and the Debenture:</p> <p>(a) executed by the Companies or Pubmaster Limited; or</p> <p>(b) executed or to be executed and delivered to the Agent by the Charging Companies pursuant to clause 2.6(e) of the third amendment agreement to the Facilities Agreement</p> <p>creating security in favour of the Security Trustee by way of first priority legal mortgage over the Properties owned by that Company or Obligor (with the exception of the Legal Mortgage(s) executed or to be executed by Daughter of Pubmaster Limited, which shall rank behind the Whitbread Security);</p>
<b>"Obligors"</b>	means the Charging Companies and Pubmaster Limited and " <b>Obligor</b> " means any of the Obligors as the context may admit or require;
<b>"Optional Overdraft Facilities"</b>	has the same meaning given to it in the Facilities Agreement;

**"Overdraft Bank"**

means a bank (being one of the Banks) which provides the Optional Overdraft Facility in favour of the Borrowers;

**"Potential Event of Default"**

means:

- (i) any event or the existence of any circumstances which, with the giving of notice under clause 18.1 (*Demand on Events of Default*) of the Facilities Agreement, the making of any determination, the lapse of time or the satisfaction of any other applicable condition stated in clause 18.1 (*Demand on Events of Default*) of the Facilities Agreements (other than a condition relating to materiality), or any combination of them would be likely to constitute or bring about an Event of Default; or
- (ii) that the Group's own rolling monthly forecasts produced in accordance with clause 16.1 (*Budget*) of the Facilities Agreements and/or clause 16.2(b) (*Monthly Management Accounts*) of the Facilities Agreements (as updated by the directors under clause 15.12 (a) (vii) (bb) (*Dividends*) of the Facilities Agreements if appropriate) show that one or more of the financial covenants in clause 17.1 (*Financial Covenants*) of the Facilities Agreements would be breached;

**"Principal Borrower"**

means Pubmaster Group Limited (formerly Buryboss Limited), a private company limited by shares and registered in England with number 3276276 under the Act;

**"Realisation Account"**

means a Sterling deposit account (bearing interest at market rates) in the name of the relevant Obligor opened in the books of such bank as the Agent may nominate entitled "*\*name of Agent\* - Realisation Account re \*Group Company\**" into which Net Disposal Proceeds are to be paid under clause 9.4 (Disposal Proceeds) of the Facilities Agreement;

**"Security"**

means the Debenture, the Guarantee and Debenture, the First Supplemental Guarantee and Debenture and the Legal Mortgages, and shall include any substituted or additional security entered into by any Group Company in favour of the Security Trustee (on behalf of the Beneficiaries) from time to time;

**"Securities"**

has the meaning given to it in clause 1(g)(iii) of Part V in this Schedule;

**"Security Trustee"**

means HSBC Investment Bank plc acting as security trustee for the Beneficiaries which expression shall include any successor substituted in accordance with the Facilities Agreement or the Subordination Agreement. Any third party may rely on a deed of transfer of mortgage executed by the Security Trustee and by its successor as conclusive evidence of any change of Security Trustee;

**"Sellers"**

means Anthony Raymond Saunders, Richard Bourton, Mark Leslie Butler, Kevin Thornton, Marston, Thompson & Evershed plc and The Wolverhampton & Dudley Breweries plc;

**"Senior Debt"**

means all present and future sums, liabilities or obligations of any nature from time to time due, owing or incurred (actually or contingently) by the Principal Borrower or any other Group Company to the Agent and/or any other Beneficiary under or in connection with the Facilities Agreement and/or any other Senior Finance Document, together with:

- (a) any refinancing, novation, refunding, deferral, increase or extension of such indebtedness or the amount thereof;
- (b) any additional advances which may be made by any Beneficiary to the Principal Borrower or any other Group Company under any agreement expressed to be supplemental to or in restatement of the Facilities Agreement and/or any other Senior Finance Document, plus all interest, fees and costs in connection with such agreement or such advances;
- (c) any claim against the Principal Borrower or any other Group Company arising from any recovery by the Principal Borrower or any other Group Company of a payment or discharge in respect of such indebtedness, or arising from cancellation or rescission of any such indebtedness; and
- (d) any amounts which would be included in such indebtedness or in (a), (b) or (c) above but for any discharge, non-provability, unenforceability or non-allowability in any insolvency or other proceedings, including but not limited to post-insolvency interest;

**"Senior Finance Documents"**

means and includes reference to the Facilities Agreement (as amended, however fundamentally, from time to time), the Security, the Hedging Agreements, any Transfer Certificate, the

Subordination Agreement, the Fees Letter, any document entered into by the Overdraft Bank in connection with the Optional Overdraft Facility and any other documents or agreements entered into from time to time in connection with any of the foregoing and any amendments, supplements or additions thereto;

**"Subordinated Debt"**

means all present and future sums, liabilities or obligations from time to time due, owing or incurred (actually or contingently) by the Principal Borrower or any other Group Company to the Subordinated Loan Stock Holders under or in connection with the Subordinated Loan Stock Instrument together with:

- (a) any refinancings, novation, refunding, deferral or extension of such indebtedness permitted by the terms of the Debenture;
- (b) any claim against the Principal Borrower or any other Group Company arising from any recovery by the Principal Borrower or any other Group Company of a payment or discharge in respect of such indebtedness, or arising from cancellation or rescission of any such indebtedness; and
- (c) any amounts which would be included in such indebtedness or in (a) or (b) above but for any discharge, non-provability, unenforceability or non-allowability in any insolvency or other proceedings, including but not limited to post-insolvency interest;

**"Subordinated Loan Stock Holders"**

means the holders from time to time of the loan notes issued by the Principal Borrower under the Subordinated Loan Stock Instrument;

**"Subordinated Loan Stock Instrument"**

the deed poll constituting subordinated secured loan notes 2006 dated 25 November 1996 made by the Principal Borrower whereby the Principal Borrower issued a series of secured loan notes not exceeding £78,200,000 in aggregate principal amount and references to the Subordinated Loan Stock Instrument shall include a reference to such document as assigned, transferred, varied, modified, altered, increased in amount, extended and/or replaced in any manner from time to time;

**"Subsidiaries"**

has the same meaning given to it in the Facilities Agreement;

**"Target Group"**

has the same meaning given to it in the Facilities Agreement;

<b>"Tenancy Agreements"</b>	has the same meaning given to it in the Facilities Agreement;
<b>"Trade Marks"</b>	means all registered trade marks and all brand, trade and/or business names, including the Brand Names, owned by any of the Companies from time to time;
<b>"Transfer Certificate"</b>	has the same meaning given to it in the Facilities Agreement;
<b>"Underwriters"</b>	has the same meaning given to it in the Facilities Agreement; and
<b>"Whitbread Security"</b>	means the debenture dated 4 June 1992 executed by Daughter of Pubmaster Limited in favour of Whitbread plc.

**Part II**  
**The Charging Companies**

<b>Name of Company</b>	<b>Registration Number</b>
Mercury Taverns (Holdings) Limited	3205806
Mercury Taverns plc	2850597
The Dublin Pub Company Limited	2895196

**Part III**  
**The Companies**

<b>Name of Company</b>	<b>Registration Number</b>
Pubmaster Group Limited	3276276
Pubmaster Limited	3321199
Cousin of Pubmaster Limited	2585754
Son of Pubmaster Limited	2625703
Daughter of Pubmaster Limited	2664808

**Part IV**  
**Amount Secured by the Mortgage or Charge**

All amounts covenanted to be paid or discharged by the Chargor and any other Obligor under the Debenture or otherwise secured by the Debenture.

By Clause 2.1 of the Debenture, the Chargor covenanted and guaranteed that:

- (a) it will on demand in writing made to it by the Agent or the relevant Beneficiaries in accordance with the terms governing the Senior Debt pay to the Security Trustee for the account of those Beneficiaries all the Senior Debt owed by it or by any other Group Company (including any Company or Obligor except any money or liabilities due, owing or incurred by any Company or Obligor as Guarantor for the Obligor first referred to); and
- (b) it will on demand in writing made to it by the relevant Subordinated Loan Stock Holders pay to the Security Trustee for the account of the Subordinated Loan Stock Holders all the Subordinated Debt owed by it or by any other Group Company (including any Company or Obligor except any money or liabilities due, owing or incurred by any other Company as Guarantor for the Obligor first referred to),

and in each case under (a) and/or (b):

- (i) whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety (under any document whether executed before, at the same time as, or at any time after execution of the Debenture); and
- (ii) whether or not such indebtedness, obligations or liabilities shall have been incurred directly to the Beneficiaries concerned or such Beneficiary is entitled to lodge a claim in respect thereof only by reason of the sale or assignment of such indebtedness or liability to it by the party originally entitled; and

on the basis that interest (in the absence of express agreement to the contrary) shall be computed and compounded according to the provisions of the Facilities Agreement (or the Subordinated Loan Stock Instrument or the usual provisions of the Overdraft Bank (as the case may be)) as well after as before any demand made or judgment obtained thereunder.

**Part V**  
**Particulars of the Property Mortgaged or Charged**

1. By clause 4.1 of the Debenture, the Chargor with full title guarantee (but so that the covenant contained in section 4(1)(b) Law of Property (Miscellaneous Provisions) Act 1994 shall not be implied into the charge) charged to the Security Trustee with the payment and discharge of all moneys and liabilities thereby covenanted to be paid or discharged by it or otherwise thereby secured:
  - (a) by way of legal mortgage, all its freehold and leasehold property the title to which is registered at HM Land Registry for England and Wales together with all buildings, fixtures and fixed plant and machinery at any time thereon;

- (b) by way of legal mortgage, all other freehold and leasehold property at the Debenture Date vested in it and not registered at HM Land Registry for England and Wales together with all buildings, fixtures and fixed plant and machinery at any time thereon;
- (c) by way of fixed charge, all future freehold and leasehold property of the Chargor together with all buildings, fixtures and fixed plant and machinery at any time thereon save where the Chargor has entered into contractual arrangements on or before the Debenture Date to acquire or take assignment of such property in which case the charge will be by way of limited title guarantee;
- (d) by way of fixed charge, all estates and interests not thereinbefore effectively charged at the Debenture Date or thereafter belonging to the Chargor in or over land wheresoever situate or the proceeds of sale of land and all licences at the Debenture Date or thereafter held by the Chargor to enter upon or use land and the benefit of all other agreements relating to land to which the Chargor is or may become a party or otherwise entitled, and all trade and tenants' fixtures, plant and machinery owned by the Chargor at the Debenture Date or thereafter annexed to all freehold and leasehold property its estate or interest in which stands charged thereunder;
- (e) by way of fixed charge, all book debts both present and future due or owing to the Chargor and the full benefit of all rights relating thereto including (without prejudice to the generality of the foregoing) negotiable instruments, guarantees, debentures, legal and equitable charges, reservation of proprietary rights, rights of tracing and unpaid vendors' liens and similar and associated rights and remedies provided that insofar as this sub-clause relates to receivables, the fixed charge created by this clause shall apply only to receivables acquired or coming into existence on or after the Designation Date;
- (f) by way of fixed charge, all other monetary debts and claims both present and future including things in action which give rise or may give rise to a debt or debts at the Debenture Date or thereafter due or owing to the Chargor and the full benefit of all rights and remedies relating thereto including (without prejudice to the generality of the foregoing) such rights as are described in sub-clause (e) above, and claims arising pursuant to the Hedging Agreements or any other interest rate and/or currency management agreements from time to time entered into by the Chargor;
- (g) by way of fixed charge:
  - (i) all stocks and shares and other interests both present and future including (without prejudice to the generality of the foregoing) loan capital, indebtedness or liabilities on any account or in any manner owing to the Chargor in (and from) any company including, without limitation, in (and from) any company which is a Subsidiary of any of the Charging Companies; and
  - (ii) the full benefit of all stocks, shares and securities which, or the certificates of which, are at the Debenture Date or may at any time thereafter be lodged with or held by or transferred to or registered in the name of the Security Trustee or its nominees; and
  - (iii) all rights in respect of or incidental to the property described at (i) and (ii) above (the property described at (i) to (iii) inclusive charged being hereinafter called the "Securities"); and

- (iv) all stocks, shares, rights, moneys or property accruing or offered at any time by way of conversion, redemption, bonus, rights, preference, option, capital reorganisation, or otherwise to or in respect of any of the Securities, including all dividends, interest and other income payable in connection therewith (all of which property described at (i) to (iv) inclusive, charged are hereinafter called "**Interests in Securities**"),

but so that neither the Security Trustee nor any of the Beneficiaries shall in any circumstances incur any liability whatsoever in respect of any calls, instalments or otherwise in connection with Interests in Securities;

- (h) by way of fixed charge, the goodwill, patents and applications therefor, Trade Marks and trade mark applications (and all goodwill associated therewith), service marks, all brand name and trade names, copyrights, rights in the nature of copyright, design rights, registered designs, all trade secrets and know-how, all licences, sub-licences and registered user agreements granted to or by the Chargor in respect of any of the above rights and all applications for any of the foregoing and all other intellectual property rights worldwide at the Debenture Date or thereafter obtained by the Chargor or (to the extent that the same may be capable of becoming the subject of a valid charge) in which the Chargor may have an interest and the benefits of all present and future agreements entered into or the benefit of which is enjoyed by the Chargor relating to the use of or licensing or exploitation of rights of such nature as are described in this paragraph (h), whether owned by the Chargor or others, and the uncalled capital of the Chargor both present and future;
- (i) by way of fixed charge each Realisation Account, each Designated Account and all credit balances of the Chargor with the Security Trustee or any other Beneficiary whatsoever;
- (j) by way of fixed charge, the benefit of all rights and claims to which the Chargor is at the Debenture Date or may be entitled under any contracts relating to the business of the Group or otherwise including, but not limited to, the benefit of any justices licences;
- (k) by way of floating charge all the undertaking and all property and assets of the Chargor whatsoever and wheresoever both at the Debenture Date and future including (without prejudice to the generality of the foregoing) all bank accounts, cash at bank and credit balances with any person whatsoever including the proceeds of book debts and claims charged pursuant to clauses (e) and (f) which proceeds are for any reason not paid into the accounts referred to in paragraph (i) above or are for any reason not covered by the fixed charge created in paragraph (i) above, heritable property and all other property and assets in Scotland, Northern Ireland and the Republic of Ireland and the property described in paragraphs (a) to (j) inclusive and in clauses 4.2 and 4.3 of the Debenture, but the floating charge created shall rank after any fixed charge created by the Debenture except if and so far as the charges thereon (or assignments thereof) or on any part thereof herein contained shall for any reason be ineffective as fixed charges.

## Part VI Covenants and Restrictions

1. By clause 4.4 of the Debenture, the Chargor agreed that without prejudice to the covenant for further assurance deemed to be included therein by virtue of Section 76(i)(c) of the Law of Property Act 1925, it shall on demand in writing made to it by the Security Trustee at the Chargor's own cost execute in the Security Trustee's standard form (*mutatis mutandis*) or in such other form as the Security Trustee may require in each case on terms no more onerous than those contained herein:
  - (a) a valid legal charge, mortgage, standard security or other hypothecation (as appropriate) in favour of the Security Trustee of any freehold and/or leasehold and/or heritable properties the legal or equitable interest in which is acquired by it after the Debenture Date and of the fixtures (including trade fixtures) and fixed plant and machinery at any time thereon and of all intellectual property rights, stocks, shares and other securities and of all policies of insurance or assurance;
  - (b) a chattel mortgage over such chattels, motor vehicles, plants and/or equipment owned by the Chargor as the Security Trustee may specify;
  - (c) a valid legal mortgage and/or assignment by way of security of all Trade Marks then belonging to the Chargor to secure the payment or discharge to the Security Trustee of the moneys and liabilities thereby secured;
  - (d) such other legal or other assignments, transfers, mortgages, charges or securities and such other documents, renewals, notifications, notices of assignments, registrations or filings, as the Security Trustee may reasonably think fit to further secure the payment or discharge of the moneys and liabilities secured by the Debenture, to perfect the security created by the Debenture or to vest title in any Charged Property in itself or its nominees or any purchaser.
2. By clause 4.9 of the Debenture, the Chargor agreed that the Security Trustee may at any time after the occurrence of an Event of Default or Potential Event of Default, which in each case is continuing, (or in any case in respect of any asset over which the Security is in jeopardy or which is in danger of seizure) by notice in writing to any Charging Company convert the floating charge contained in sub-clause 4.1(k) of the Debenture into a specific charge as regards any Charged Property specified in such notice.
3. By clause 4.10 of the Debenture, the Chargor agreed that any fixed charge or fixed security created by the Chargor in favour of the Security Trustee shall rank prior to the floating charge thereby created by the Chargor.
4. By clause 7 of the Debenture, the Chargor covenanted that it shall:
  - (a) get in and realise all book debts and other monetary debts and claims thereby charged and pay all moneys which it may receive in respect thereof into the account(s) specified in a letter from the Security Trustee to the Charging Companies and expressed to be the "Account Designation Letter" (such account being a "**Designated Account**") forthwith on receipt and, pending such payment, shall hold all moneys so received upon trust for the Security Trustee and the Beneficiaries and shall not without the prior consent of the Security Trustee in writing purport to sell, charge, factor, discount or encumber or assign or otherwise sell or dispose of the same (or any

interest therein) in favour of any other person and shall if called upon to do so by the Security Trustee at any time:-

- (i) execute a legal assignment of such book debts and other debts and claims, and/or its accounts into which such debts are or have been paid, to the Security Trustee and give notice thereof to the relevant debtor or the account-holding bank as the case may be in the form set out in Part 2 of Schedule IV of the Debenture and use its best endeavours to procure the execution and delivery to the Security Trustee of the acknowledgement of notice of such assignment; and/or
    - (ii) deliver such particulars as to the amount and nature of such book and other debts and claims as the Security Trustee may from time to time reasonably require.
  - (b) save as provided for in sub-paragraph 4(a) above, if and whenever the Security Trustee shall reasonably require, forthwith cause to be given such new or additional charge or other security over such assets or classes of assets available for security as the Security Trustee may from time to time specify to secure the monies and liabilities covenanted to be paid or discharged under any of the Security Documents (including under the Debenture), where such assets have not been previously charged to the Security Trustee (on behalf of itself and the Beneficiaries) or, if so charged, where the Security Trustee reasonably believes that such new or additional charge or other security is necessary to maintain or protect the rights of itself or any Beneficiary over such assets, together with (in the case of security created on assets situated outside England and Wales) such legal opinions (if any) as the Security Trustee may reasonably require from lawyers acceptable to it in relation to such new or additional charge or other security, provided that the Chargor shall not be required when giving such new or additional charge or other security to enter into covenants and/or obligations more onerous than those contained in any of the Security Documents unless the same are necessary for the effective creation or enforcement of such new or additional charge or other security;
  - (c) not, without the consent in writing of the Security Trustee (and save for any security created in favour of the Security Trustee or Permitted Encumbrances) create, incur or permit to subsist any Encumbrance on any of its present or future property assets or revenues to secure any liability, actual or contingent;
5. By clause 7.2 of the Debenture, the Chargor covenanted that it shall, unless the Security Trustee otherwise agrees in writing:-
- (a) during the subsistence of the Debenture and at the request of the Security Trustee (such request not to be less than three months after a previous such request) every three months, provide the Security Trustee with a written summary of all Trade Marks, trade mark applications and trade names comprised in clause 4.1(h) of the Debenture acquired by the Chargor (whether in the United Kingdom or elsewhere) since the creation of the Debenture or the date of the last notification, as the case may be; and
  - (b) not sell, assign, transfer, licence or agree to license any of the Trade Marks or any interest therein except for any licences which are in existence at the date of the Debenture and in addition are permitted under or pursuant to the Facilities Agreement;

6. By clause 13 of the Debenture, the Chargor agreed that during the continuance of the charge created:
- (a) no statutory or other power of granting or agreeing to grant or of accepting or agreeing to accept surrenders of leases or tenancies or licences of the freehold and leasehold property thereby charged or any part thereof shall be capable of being exercised by any of the Obligors (except in favour of any other Group Company) without the previous consent in writing of the Security Trustee (such consent not to be unreasonably withheld) but subject to compliance by each Group Company with their obligations under the Facilities Agreement and provided that the granting of Tenancy Agreements in accordance with the provisions of the Facilities Agreement shall not be a breach of this sub-clause;
  - (b) no Obligor shall be entitled to part with possession (otherwise than on determination of any tenancy or licence) of any part of any freehold or leasehold property thereby charged or to share occupation thereof with any other person or persons (other than another Group Company) or to surrender or purport to surrender or permit to be forfeited the lease of any leasehold property thereby charged without the consent of the Security Trustee as aforesaid (such consent not to be unreasonably withheld) but subject to compliance by each Group Company with their obligations under the Facilities Agreement and provided that the granting of Tenancy Agreements in accordance with the provisions of the Facilities Agreement shall not be a breach of this sub-clause.
7. By clause 4.5 of the Debenture, the Chargor agreed that it shall deposit with the Security Trustee and/or such other Beneficiary or Beneficiaries as the Security Trustee may from time to time nominate, and the Security Trustee and/or such Beneficiary or Beneficiaries shall during the continuance of the security be entitled to hold:-
- (a) all HM Land Registry Land and Charge Certificates, deeds and documents of title (if any) which are in the possession or within the control of the Chargor relating to the properties and assets described in sub-clauses 4.1 (*Charge*), 4.2 (*Acquisition Agreement Claims*) and 4.4 (*Further Assurance*) of the Debenture;
  - (b) letters of undertaking in the agreed form for all properties and assets where the deeds and documents of title (if any) have not been deposited under (i) above; and
  - (c) all insurance policies relating to assets hereby charged to which the Chargor is entitled to possession; and
  - (d) all policies of insurance thereby charged.
8. By clause 4.6 of the Debenture, the Chargor agreed that without prejudice to the generality of any of the foregoing provisions or any of the provisions thereafter contained, it will at all times (at its own cost):
- (a) forthwith deposit with the Security Trustee and permit the Security Trustee during the continuance of the security to hold and retain (i) all stock and share certificates and documents of title relating to Interests in Securities, (ii) transfers of the Securities duly completed in favour of the Security Trustee or its nominee and (iii) such other documents as the Security Trustee may from time to time require (after bona fide consultation with the Principal Borrower) for perfecting its title to Interests in Securities (duly executed by or signed on behalf of the registered holder) or for vesting or enabling it to vest the same in itself or its nominees or in any purchaser;

- (b) duly and promptly pay all calls, instalments or other payments which from time to time become due in respect of any Interests in Securities;
  - (c) not without the prior written consent of the Security Trustee:
    - (i) permit any person other than the Chargor, the Security Trustee or its nominee to be registered as holder of Interests in Securities or any part thereof; or
    - (ii) create or permit to subsist any mortgage, debenture, charge, lien or encumbrance (other than in favour of the Security Trustee or otherwise as permitted by the Facilities Agreement) on or over Interests in Securities or any part thereof or interest therein; or
    - (iii) sell, transfer or otherwise dispose of Interests in Securities or any part thereof or interest therein or attempt or agree so to do; and
  - (d) not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise materially prejudice the value of Interests in Securities to the Security Trustee or the Beneficiaries.
9. By clause 4.7 of the Debenture, the Chargor agreed that unless and until the Security Trustee shall notify the Chargor in writing to the contrary, the Chargor shall, prior to the occurrence of an Event of Default or Potential Event of Default, and for so long as it remains the beneficial owner of any shares thereby charged continue to be entitled to receive all dividends from such shares and to use the money so received in the course of its business, and to exercise all voting rights attaching to such shares as beneficial owner if and insofar as such exercise shall not (in the opinion of the Security Trustee) jeopardise or be likely to jeopardise the security. The Security Trustee shall at any time after the occurrence of an Event of Default, which in each case is continuing, be entitled to have any such shares registered in the name of itself and/or such other bank or banks as the Security Trustee may from time to time nominate to the Chargor and/or of its respective nominees or agents (a "Nominee").

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## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 02850597

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT GUARANTEE & DEBENTURE DATED THE 11th JUNE 1998 AND CREATED BY MERCURY TAVERNS PLC FOR SECURING ALL MONEYS AND LIABILITIES TO BE PAID OR DISCHARGED BY THE COMPANY OR ANY OF THE OBLIGORS (AS DEFINED) TO HSBC INVESTMENT BANK PLC (AS SECURITY TRUSTEE) UNDER THE DEBENTURE OR OTHERWISE SECURED BY THE DEBENTURE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 24th JUNE 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 26th JUNE 1998.

A handwritten signature in dark ink, appearing to read 'R. N. Owens'.

RICHARD NEIL OWENS

for the Registrar of Companies



C O M P A N I E S H O U S E