



Please do not  
write in  
this margin

## Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

# 395

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

Name of company

3

3406623

\* Wellington Pub Company PLC (the "Company")

Date of creation of the charge

2 March 1998

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

Deed of Charge and Assignment (the "Charge")

Amount secured by the mortgage or charge

1. All monies and liabilities whatsoever which from time to time become due, owing or payable by the Company:

(a) to or to the order of the Trustee and/or any receiver under, pursuant to or in connection with the Charge or the other Secured Party Documents at the times and in the manner provided therein, whether as principal or surety and whether or not jointly with another; and

(b) under or in respect of the Bonds at the time and in the manner provided in the trust deed between the Company and the Trustee dated 2 March 1998 (the "Trust Deed"), the Bonds, the terms and conditions of the Bonds or in the Charge, whether as principal or surety and whether or not jointly with another. cont./.....

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

Bankers Trustee Company Limited (Company number 00338230) (as trustee), 1 Appold Street, London (the "Trustee")

Postcode EC2A 2HE

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

Sidley & Austin  
Royal Exchange  
London EC3V 3LE  
(DX 580 LONDON/CITY)

For official use

Mortgage section

Post room



Time critical reference

2. All monies and liabilities whatsoever which from time to time become due, owing or payable by the Company to Criterion Asset Management Limited (the "Portfolio Manager") under the portfolio management agreement dated 4 November 1997 between the Company and the Portfolio Manager (as amended by a supplemental agreement dated 2 March 1998 between the Company, the Portfolio Manager and the Trustee (the "Portfolio Management Agreement")) or pursuant to the Charge, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to it in any other capacity including as bondholder or couponholder). Monies due, owing or payable by the Company to the Portfolio Manager which have accrued in respect of any period prior to the termination of the appointment of the Portfolio Manager under the Portfolio Management Agreement shall continue to be due, owing or payable to it in that capacity notwithstanding such termination.

3. All monies and liabilities whatsoever which from time to time become due, owing or payable by the Company to Bankers Trust Company in its capacity as cash manager (the "Cash Manager") under the cash management agreement dated 2 March 1998 between inter alios, the Company, the Cash Manager and the Trustee (the "Cash Management Agreement") or pursuant to the Charge, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to it in any other capacity including as bondholder or couponholder). Monies due, owing or payable by the Company to the Cash Manager which have accrued in respect of any period prior to the termination of the appointment of the Cash Manager under the Cash Management Agreement shall continue to be due, owing or payable to it in that capacity notwithstanding such termination.

4. All monies and liabilities whatsoever which from time to time become due, owing or payable by the Company to Bankers Trust Company in its capacity as principal paying agent (the "Principal Paying Agent") under the paying agency agreement dated 2 March 1998 between, inter alios, the Company, the Principal Paying Agent and the Trustee (the "Paying Agency Agreement") or pursuant to the Charge, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to it in any other capacity including as bondholder or couponholder). Monies due, owing or payable by the Company to the Principal Paying Agent which have accrued in respect of any period prior to the termination of the appointment of the Principal Paying Agent under the Paying Agency Agreement shall continue to be due, owing or payable to it in that capacity notwithstanding such termination.

5. All monies and liabilities whatsoever which from time to time become due, owing or payable by the Company to Wellington Investments Limited under the management agreement between, inter alios, the Company and Wellington Investments Limited (the "Management Agreement") or pursuant to the Charge, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to it in any other capacity including as bondholder or couponholder). Monies due, owing or payable by the Company to Wellington Investments Limited which have accrued in respect of any period prior to the termination of the appointment of Wellington Investments Limited as manager under the Management Agreement shall continue to be due, owing or payable to it in that capacity notwithstanding such termination.

cont./.....

6. All monies and liabilities whatsoever which may from time to time become due, owing or payable by the Company to each Beneficiary under the corresponding Beneficiary's Document, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to it in any other capacity including as bondholder or couponholder).

In this Form 395 the following definitions apply:

"Assigned Agreements" means the portfolio sale agreement between the Company and Phoenix Inns Limited dated 4 November 1997; the Portfolio Management Agreement; the property insurance policy (numbered AVO81449) with Eagle Star Insurance Company Limited; the declaration of trust regarding the collection account and the declaration of trust regarding the interest account both dated 2 March 1998 both given by the Portfolio Manager; the Cash Management Agreement; the Paying Agency Agreement; the Management Agreement and all other contracts, agreements, deeds and documents, present and future to which the Company is or may become a party, including without limitation all rights to receive payment of any amounts which may become payable to the Company thereunder, all payments received by the Company thereunder, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all claims and rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof.

"Beneficiary" means any person (other than a person who is a party to the Charge) which has, in accordance with the provisions of one or more of the Relevant Documents, become a creditor of the Company and in respect of whom the Trustee has agreed in writing that such person may obtain benefit from the Charges and who has executed a deed of accession, and "Beneficiaries" means each Beneficiary.

"Beneficiary's Documents" means, in respect of a Beneficiary, the Relevant Document containing the obligations of the Company to such Beneficiary.

"Bonds" means the £160,000,000 6.735% Class A Secured Fixed Rate Bonds due 2029, £51,000,000 7.335% Class B Secured Fixed Rate Bonds due 2029 and £20,000,000 11.000% Class C Secured Fixed Rate Bonds due 2029.

"Certificates of Title" means the certificates of title and certificates of leasehold title provided by Gosschalks in favour of, inter alios, the Company and the Trustee dated 4 November 1997.

"Relevant Documents" means the Assigned Agreements, the Valuation Certificate, the Certificates of Title and the Subscription Agreement.

"Secured Party Documents" means the Bonds, any coupons and the terms and conditions of the Bonds; the Trust Deed; the Charge; the Portfolio Management Agreement; the Cash Management Agreement; the Paying Agency Agreement; the Management Agreement; any supplemental charge; and any other document designated as such by the Trustee and the Company.

"Subscription Agreement" means the subscription agreement dated 25 February 1998 between, inter alios, Morgan Stanley & Co. International Limited and the Company.

"Valuation Certificate" means the valuation certificate dated 1 February 1998 from Davis Coffey Lyons in respect of the Portfolio Properties (as defined below).

Short particulars of all the property mortgaged or charged

1. The Company, by way of fixed security for the payment or discharge of the secured amounts, with full title guarantee and subject to the proviso for redemption contained in the Charge CHARGES by way of first legal mortgage to the Trustee, all estates and other interests both present and future in and to all freehold and leasehold property vested in or belonging to the Company comprising the Portfolio Properties (other than the Excluded Portfolio Properties) TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of the Charge, for the Secured Parties to whom the secured amounts from time to time become due, owing or payable.

2. The Company, by way of first fixed security for the payment or discharge of the secured amounts, with full title guarantee and subject to the proviso for redemption contained in the Charge CONVEYS, TRANSFERS AND ASSIGNS to the Trustee all its right, title, interest and benefit present and future in and to:

cont./.....

Please do not  
write in  
this margin

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed

*Sudley + Austin*

Date

*06/03/98*

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.

(i) all Rental Income;

(ii) any guarantee of Rental Income contained in or relating to any Occupational Lease;

(iii) any rent deposit deed relating to any Occupational Lease,

TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of the Charge, for the Secured Parties to whom the secured amounts from time to time become due, owing or payable.

3. The Company, by way of further first fixed security for the payment or discharge of the secured amounts, with full title guarantee and subject to the proviso for redemption contained in the Charge CONVEYS, TRANSFERS AND ASSIGNS to the Trustee all its right, title, interest and benefit, present and future in, to and under the Assigned Agreements TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of the Charge, for the Secured Parties to whom the secured amounts from time to time become due, owing or payable.

4. The Company, by way of further fixed security for the payment or discharge of the secured amounts, with full title guarantee and subject to the proviso for redemption contained in the Charge CHARGES, by way of first fixed charge or assignment to the Trustee, all the Company's right, title, benefit and interest present and future in, to and under any of the Bank Accounts (other than the Working Capital Account, the General Account and the General Reserve Account, which shall, for the avoidance of doubt, be subject to the floating charge) and any related Overnight Deposit Account, and all sums of money which may now or hereafter from time to time be standing to the credit of the Bank Accounts (other than the Working Capital Account, the General Account and the General Reserve Account, as aforesaid) or any related Overnight Deposit Account, together with all interest accruing from time to time thereon and the debts represented thereby and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of the Charge, for the Secured Parties to whom the secured amounts from time to time become due, owing or payable.

5. The Company, by way of further fixed security for the payment or discharge of the secured amounts, with full title guarantee, and subject to the proviso for redemption contained in the Charge, CHARGES by way of first fixed charge, to the Trustee, all its right, title, interest and benefit present and future in, to and under the Authorised Investments (except to the extent that, in the case of Authorised Investments comprising cash deposited in Overnight Deposit Accounts such Authorised Investments are subject to a charge or assignment pursuant to paragraph 4 above) and all moneys, income and proceeds to become payable thereunder or thereon and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of the Charge, for the Secured Parties to whom the secured amounts from time to time become due, owing or payable.

cont./.....

6. The Company, by way of further fixed security for the payment or discharge of the secured amounts, with full title guarantee and subject to the proviso for redemption contained in the Charge CHARGES by way of first fixed charge, to the Trustee:

(a) to the extent that they are not the subject of a mortgage under paragraph 1 above, all estates and interests in any freehold or leasehold property (other than the Excluded Portfolio Properties) now or hereafter belonging to it;

(b) all plant and machinery owned by the Company and its interests in any plant and machinery in its possession;

(c) all benefits in respect of any insurance policies maintained pursuant to the Charge, all returns of premiums in respect of them and all rights and claims to which the Company is now or may after the date of the Charge become entitled in relation to the proceeds of any such insurance policies;

(d) all of the Company's book and other debts, the proceeds of the same and all other monies due and payable to the Company and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;

(e) its goodwill;

(f) its uncalled capital (if any); and

(g) the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any security and the right to recover and receive all compensation which may be payable in respect of them,

TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of the Charge, for the Secured Parties to whom the secured amounts from time to time become due, owing or payable.

7. The Company, by way of further security for the payment or discharge of the secured amounts, with full title guarantee and subject to the proviso for redemption contained in the Charge CHARGES, by way of first floating charge to the Trustee, the whole of its undertaking and all its property and assets whatsoever and wheresoever, present and future, TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of the Charge, for the Secured Parties to whom the secured amounts from time to time become due, owing or payable and so that, for the avoidance of doubt, the floating charge shall rank after the fixed security created by or in respect of the Charge.

cont./....

8. For the avoidance of doubt, it is hereby confirmed that reference herein to the Assigned Agreements include any agreements which are hereafter assigned or transferred to or otherwise acquired by the Company and that the security created by the Charge are, and are intended to be, specific and fixed assignments by way of security of, or specific and fixed charges over (as the case may be), the items to which they relate, both present and future acquired.

9. A reference in the Charge to a charge or mortgage of any freehold or leasehold property includes:

(h) all buildings and fixtures on that property;

(i) the proceeds of sale of any part of that property; and

(j) the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property or any moneys paid or payable in respect of those covenants.

10. The Trustee hereby declares itself as trustee of the covenants, undertakings, charges, assignments and other security interests made or given under the Charge for itself and each of the Secured Parties in respect of the secured amounts owed to each of them respectively.

11. The Company has undertaken that, without the prior written consent of the Trustee, it shall not create or permit to subsist, on all or any part of the assets that are subject to the security created pursuant to the Charge, any mortgage or sub-mortgage, fixed or floating charge or sub-charge, encumbrance, lien, pledge, hypothecation, security interest, assignment by way of security, or title retention arrangement (other than in respect of goods purchased in the ordinary course of trading) and any agreement or arrangement having substantially the same economic or financial effect as any of the foregoing (including any 'hold back' or 'flawed asset' arrangement) unless arising by operation of law and other than is created pursuant to the Charge.

In this Form 395, the following terms have the following meanings:

"Authorised Investments" means:-

(a) sterling denominated securities issued by the Government of the United Kingdom; or

(b) any unsubordinated security, investment or instrument which is denominated in sterling, which is scheduled, on the date it is acquired by or on behalf of the Company, to mature within the lesser of 90 days and the number of days to the next succeeding determination date and in respect of which the relevant obligor has either a short term or long term rating acceptable to Duff & Phelps Credit Rating Co.; or

(c) cash deposits in an Overnight Deposit Account or other cash deposits, with a bank which has either a long term or short term, unsecured, unguaranteed and unsubordinated rating acceptable to Duff & Phelps Credit Rating Co.; or

cont./.....

(d) any interest rate swap agreement which is assignable to the Trustee by way of security and is entered into by a swap counterparty which has a rating acceptable to Duff & Phelps Credit Rating Co.,

and which, in each case until maturity, are (i) in the Company's name and (ii) in the case of securities described in paragraphs (a) or (b) above, held by a custodian to the order of the Trustee.

"Bank Accounts" means the Transaction Account; the Working Capital Account; the Liquidity Reserve Account; the Permitted Release Account; the General Account; the General Reserve Account; and any Overnight Deposit Account.

"Excluded Portfolio Properties" means each of the properties listed in Part II of Schedule 2 to the Charge (if any) until such property becomes the subject of a supplemental charge.

"General Account" means the account numbered 69398216 sort code 60-21-21 in the name of the Company and entitled "Wellington Pub Company PLC = General Account" at the National Westminster Bank PLC's branch at Thame, Oxon or any account replacing that account.

"General Reserve Account" means the interest bearing account numbered 69400857 sort code 60-21-21 in the name of the Company and entitled "Wellington Pub Company PLC = General Reserve Account" at the National Westminster Bank PLC's branch at Thame, Oxon or any account replacing that account.

"Liquidity Reserve Account" means the account numbered 69400830 sort code 60-21-21 in the name of the Company and entitled "Wellington Pub Company PLC = Liquidity Reserve Account" at the National Westminster Bank PLC's branch at Thame, Oxon or any account replacing that account.

"Occupational Lease" means any lease, underlease, sublease, licence, agreement for lease, option, occupation agreement or any other arrangement relating to the use or occupation of any Portfolio Property or any part of it from time to time (other than any such interest under which the Company derives title to a Portfolio Property).

"Overnight Deposit Account" means, in relation to a Bank Account, any treasury reserve account relating to such Bank Account in National Westminster Bank PLC's books and records, to which all or any part of the balance of such Bank Account is credited from time to time, for the purposes of providing an increased rate of interest on the amount credited, on a short term basis.

"Permitted Release Account" means the account numbered 69400849 sort code 60-21-21 in the name of the Company and entitled "Wellington Pub Company PLC = Permitted Release Account" at the National Westminster Bank PLC's branch at Thame, Oxon or any account replacing that account.

cont./.....

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



"Portfolio Properties" means:

- (i) each of the properties listed in Part I of Schedule 2 to the Charge;  
and
- (ii) any property (including, without limitation, an Excluded Portfolio Property) that becomes the subject of a supplemental charge.

"Rental Income" means all of the following in respect of any of the Portfolio Properties: the rents reserved by any Occupational Lease and all or any other sums paid or payable to the Company pursuant to such Occupational Lease, including all reviewed or revised rents, insurance rents, interim rents under the Landlord and Tenant Act 1954, licence fees, interest payable on late payments or on late reviews, sums withdrawn from any rent deposit or other financial security, sums paid by any guarantor, loss of rent proceeds, mesne profits, damages for trespass, interim payments made under the rules of the Supreme Court or damages for breach of covenant or other obligation, dilapidation payments, sums paid by tenants for the grant, surrender or release of any right or obligation or in respect of the variation of any occupational lease, sums paid for the grant of any licence, concession agreement, franchise, advertising panel, kiosk, vending machine or car parking and distributions made to the Company in the liquidation, bankruptcy and insolvency of any company or individual.

"Secured Parties" means the Trustee, the bondholders and the couponholders, the Cash Manager, the Portfolio Manager, the Principal Paying Agent, Wellington Investments Limited and each Beneficiary from time to time.

"Transaction Account" means the account numbered 69398445 sort code 60-21-21 in the name of the Company and entitled "Wellington Pub Company PLC - Payment Account" at the National Westminster Bank PLC's branch at Thame, Oxon or any account replacing that account.

"Working Capital Account" means the account numbered 69398194, sort code 60-21-21 in the name of the Company and entitled "Wellington Pub Company PLC - Working Capital Account" at the National Westminster Bank PLC's branch at Thame, Oxon or any account replacing that account

FILE COPY



## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03406623

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF CHARGE AND ASSIGNMENT DATED THE 2nd MARCH 1998 AND CREATED BY WELLINGTON PUB COMPANY PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO BANKERS TRUSTEE COMPANY LIMITED (THE TRUSTEE) AND THE OTHER SECURED PARTIES (AS DEFINED) UNDER PURSUANT TO OR IN CONNECTION WITH THE CHARGE OR THE OTHER SECURED PARTY DOCUMENTS (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 9th MARCH 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11th MARCH 1998.

A handwritten signature in dark ink, appearing to read 'A. J. Wakeham', written over the printed name.

A. J. WAKEHAM

for the Registrar of Companies



C O M P A N I E S   H O U S E