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CHFP041

COMPANIES FORM No. 395 A/C 00400071

395

Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.

Please do not write in this margin

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

* Insert full name of company

To the Registrar of Companies
(Address overleaf - Note 6)

For official use Company number

Name of company

* Punch Taverns (BS) Company Limited ("PT SupplyCo")

3 03499143

Date of creation of the charge

3 November 2003

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

A Punch Taverns second priority deed of charge dated 3 November 2003 between, inter alios, PT SupplyCo and Deutsche Trustee Company Limited (the "Punch Taverns Second Priority Deed of Charge")

Amount secured by the mortgage or charge

See Schedule 1 on attached Continuation Sheets

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

Deutsche Trustee Company Limited (registered no. 00338230) whose registered office is at Winchester House, 1 Great Winchester Street, London (or other person acting as Security Trustee under the Punch Taverns Second Priority Deed of Charge from time to time) (the "Security Trustee")

Postcode EC2N 2DB

Presentor's name, address and reference (if any):
FRESHFIELDS BRUCKHAUS
DERINGER
65 FLEET STREET, LONDON
ENGLAND EC4Y 1HS
DX 23 LONDON/CHANCERY LANE

R&F MEM/AN

Time critical reference

For official use
Mortgage section



Short particulars of all the property mortgaged or charged

See Schedule 2 on attached Continuation Sheets

Please do not write in this margin

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

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

Particulars as to commission allowance or discount (note 3)

Signed Fred Kellys Buchhaus Danges

Date 20/11/03

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.
5. Cheques and Postal Orders are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF4 3UZ.

DEFINITIONS

In this Form 395:

Account Bank means Barclays Bank PLC of West Midlands Corporate Banking Centre, PO Box 5960, 15 Colmore Row, Birmingham B2 2EP or such other bank which is a bank for the purposes of section 349 of the Income and Corporation Taxes Act 1988 and has the Requisite Rating as the Security Trustee shall have previously approved in accordance with clause 3.5 of the Bank Agreement;

Accounting Principles means the accounting principles, standards, conventions and practices, from time to time and at any time generally accepted in the United Kingdom and which implement the requirements of the Companies Act 1985 (as amended by the Companies Act 1989) and of any other legislation or regulation, compliance with which is required by law in connection with the preparation of accounts by companies incorporated with limited liability, or compliance with which is generally adopted and practised by such companies in the United Kingdom in effect from time to time and consistently applied;

Acquisition Agreements means together the Bass Acquisition Agreement, the Inn Business Acquisition Agreement, the PPC Fradley Acquisition Agreement, the CMG Acquisition Agreement, the PGRPL Acquisition Agreement and the VPR Acquisition Agreement;

Acquisition Reserve Account means the account of the Borrower maintained with the Account Bank (account number 40816566, sort code 20-07-71) or such other account approved by the Security Trustee, from time to time, and in respect of which there are equivalent Encumbrances to those created pursuant to the Punch Taverns Deeds of Charge;

Additional Class A1(R) Notes means any Additional Class A1(R) Notes of the Issuer constituted by a deed supplemental to the Trust Deed in accordance with Condition 15(a) and for the time being outstanding or, as the context may require, a specific number thereof, and includes the Class A1(R) Temporary Global Note (or any part thereof) representing the same, the Class A1(R) Permanent Global Note (or any part thereof) representing the same and (if issued) the Class A1(R) Definitive Note representing the same;

Additional Class A2(R) Notes means any Additional Class A2(R) Notes of the Issuer constituted by a deed supplemental to the Trust Deed in accordance with Condition 15(a) and for the time being outstanding or, as the context may require, a specific number thereof, and includes the Class A2(R) Temporary Global Note (or any part thereof) representing the same, the Class A2(R) Permanent Global Note (or any part thereof) representing the same and (if issued) the Class A2(R) Definitive Note representing the same;

Additional Class A3(R) Notes means any Additional Class A3(R) Notes of the Issuer constituted by a deed supplemental to the Trust Deed in accordance with Condition 15(a) and for the time being outstanding or, as the context may require, a specific number thereof, and includes the Class A3(R) Temporary Global Note (or any part thereof) representing the same, the Class A3(R) Permanent Global Note (or

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(incorporated in England and Wales with registered number 3499143)

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any part thereof) representing the same and (if issued) the Class A3(R) Definitive Note representing the same;

Additional Class B1 Notes means any Additional Class B1 Notes of the Issuer constituted by a deed supplemental to the Trust Deed in accordance with Condition 15(a) and for the time being outstanding or, as the context may require, a specific number thereof, and includes the Class B1 Temporary Global Note (or any part thereof) representing the same, the Class B1 Permanent Global Note (or any part thereof) representing the same and (if issued) the Class B1 Definitive Note representing the same;

Additional Class B2 Notes means any Additional Class B2 Notes of the Issuer constituted by a deed supplemental to the Trust Deed in accordance with Condition 15(a) and for the time being outstanding or, as the context may require, a specific number thereof, and includes the Class B2 Temporary Global Note (or any part thereof) representing the same, the Class B2 Permanent Global Note (or any part thereof) representing the same and (if issued) the Class B2 Definitive Note representing the same;

Additional Class C(R) Notes means any Additional Class C(R) Notes of the Issuer constituted by a deed supplemental to the Trust Deed in accordance with Condition 15(a) and for the time being outstanding or, as the context may require, a specific number thereof, and includes the Class C(R) Temporary Global Note (or any part thereof) representing the same, the Class C(R) Permanent Global Note (or any part thereof) representing the same and (if issued) the Class C(R) Definitive Note representing the same;

Additional Class D(R) Notes means any Additional Class D(R) Notes of the Issuer constituted by a deed supplemental to the Trust Deed in accordance with Condition 15(a) and for the time being outstanding or, as the context may require, a specific number thereof, and includes the Class D(R) Temporary Global Note (or any part thereof) representing the same, the Class D(R) Permanent Global Note (or any part thereof) representing the same and (if issued) the Class D(R) Definitive Note representing the same;

Additional Class M1 Notes means any Additional Class M1 Notes of the Issuer constituted by a deed supplemental to the Trust Deed in accordance with Condition 15(a) and for the time being outstanding or, as the context may require, a specific number thereof, and includes the Class M1 Temporary Global Note (or any part thereof) representing the same, the Class M1 Permanent Global Note (or any part thereof) representing the same and (if issued) the Class M1 Definitive Note representing the same;

Additional Class M2 Notes means any Additional Class M2 Notes of the Issuer (which may comprise further Class M2 Primary Notes and/or further Class M2 Reserve Notes) constituted by a deed supplemental to the Trust Deed in accordance with Condition 15(a) and for the time being outstanding or, as the context may require, a specific number thereof, and includes the Class M2 Temporary Global Note (or any part thereof) representing the same, the Class M2 Permanent Global Note (or any part thereof) representing the same and (if issued) the Class M2 Definitive Note representing the same;

Additional Global Notes means an Additional Temporary Global Note and an Additional Permanent Global Note relating to the same Additional Issue;

Additional Guarantors means together Punch Taverns (Trent) Limited (company number 03601324), Punch Retail (Funding Holdings) Limited (company number 3982429), Punch Retail (Managed Holdings) Limited (company number 1676516), Punch Retail Limited (company number 50484) and Punch Pub Company (VPR) Limited (company number 03982477);

Additional Issue means an issue of Additional Notes;

Additional Issuer Charged Property has the meaning attributed thereto in the relevant Scottish Supplemental Issuer Deed of Charge;

Additional Noteholders means the holders of any Additional Notes;

Additional Notes means the Additional Class A1(R) Notes, the Additional Class A2(R) Notes, the Additional Class A3(R) Notes, the Additional Class M1 Notes, the Additional Class M2 Notes, the Additional Class B1 Notes, the Additional Class B2 Notes, the Additional Class C(R) Notes and the Additional Class D(R) Notes or, as the context may require, any combination of the same;

Additional Permanent Global Note means a permanent Global Note in bearer form without coupons to be issued by the Issuer pursuant to clause 2.6 of the Trust Deed representing the Principal Amount Outstanding of an Additional Issue and the Principal Amount Outstanding of the existing Notes of the relevant class, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Additional Secured Amounts means the moneys and liabilities which each Additional Guarantor and Charging Company covenants and undertakes respectively in clauses 3.1 and 3.2 of the Third Supplemental Punch Taverns Deed of Charge to pay or discharge, and all claims, demands and damages for breach of any such covenant, and references to the Additional Secured Amounts includes references to any of them;

Additional Temporary Global Note means a temporary Global Note in bearer form without coupons to be issued by the Issuer pursuant to clause 2.6 of the Trust Deed representing an Additional Issue, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Adjusted Group EBITDA has the meaning given to it in Condition 15(a)(vii)(A);

Advance means, save as otherwise provided, the aggregate principal amount of an advance made or to be made by the Issuer under either of the Issuer/Borrower Facility Agreements;

Agency Agreement means the agreement dated 26 March 1998 as supplemented by a supplemental agency agreement dated 25 October 2000 and as amended and restated with effect from the Relevant Time pursuant to the Master Amendment Deed and made between the Issuer, the Principal Paying Agent, the Luxembourg Paying Agent, the Agent Bank, the Note Trustee and the Security Trustee;

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Agent Bank means Deutsche Bank AG acting through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB or such person or persons from time to time appointed as agent bank, subject to and in accordance with the terms of the Agency Agreement;

Alternative Adviser means an accountancy firm, investment bank, property consultant or other professional firm, organisation or individual, in each case, acceptable to the Security Trustee (acting reasonably), appointed by the Borrower for the purpose of providing and having the appropriate expertise to be in a position to provide any confirmation required pursuant to the provisions of the Relevant Documents to be provided by the Financial Adviser, appointed by the Borrower for the purpose of providing such confirmation;

Ambac means Ambac Assurance UK Limited whose registered office is at Hasilwood House, 60 Bishopsgate, London EC2N 4BE;

Ambac Event of Default means:

- (a) any Guaranteed Amount which is Due for Payment is not paid by Ambac on the date stipulated in the Ambac Guarantee;
- (b) Ambac disclaims, disaffirms, repudiates and/or challenges the validity of any of its obligations under the Ambac Guarantee or seeks to do so;
- (c) a court of competent jurisdiction enters a final and non-appealable order, judgment or decree for the winding-up, or the appointment of an administrator or receiver (including an administrative receiver or manager), of Ambac (or, as the case may be, of a material part of its property or assets); or
- (d) Ambac:
 - (i) presents any petition or takes any proceedings (whether out of court or otherwise) for the winding-up, or the appointment of an administrator or receiver (including an administrative receiver or manager), of Ambac (or, as the case may be, of a material part of its property or assets); or
 - (ii) makes or enters into any general assignment, composition, arrangement (including, without limitation, a voluntary arrangement under Part 1 of the Insolvency Act 1986) or compromise with or for the benefit of any of its creditors; or
 - (iii) becomes unable to pay its debts within the meaning of section 123(1)(e) of the Insolvency Act or admits in writing its inability, or fails generally, to pay its debts as they become due;

Ambac Guarantee means the financial guarantee dated the Closing Date in respect of the Class A2(R) Notes and the Class A3(R) Notes pursuant to which Ambac has guaranteed payments of Scheduled Interest and Scheduled Principal;

Ambac Reserved Rights shall bear the meaning ascribed thereto in Condition 11(b);

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Ambac Termination Event means (a) the occurrence of an Ambac Event of Default which is continuing or (b) Ambac ceasing to have any further obligations, actual or contingent under the Ambac Guarantee and no amounts being then owing to Ambac under the Guarantee and Reimbursement Agreement;

Ambac Trigger Event means the occurrence of the aggregate Principal Amount Outstanding of the Class A1(R) Notes being greater than the sum of (i) the aggregate Principal Amount Outstanding of the Class A2(R) Notes and (ii) the aggregate Principal Amount Outstanding of the Class A3(R) Notes;

Amended Master Definitions and Construction Schedule means this amended master definitions and construction schedule, signed for the purposes of identification by Freshfields Bruckhaus Deringer and Slaughter and May and dated as of 3 November 2003;

Bank Agreement means the agreement dated the Closing Date and made between, *inter alios*, the Borrower, the Issuer, the Servicer, the Security Trustee, the Note Trustee and the Account Bank;

Bass Acquisition Agreement means the sub-sale agreement dated 12 March 1998 and made between, *inter alios*, The Bass Lease Company Limited, Bass Taverns Limited and Bass Holdings Limited and the Borrower relating to the acquisition of the Bass Portfolio together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered into or to be entered into pursuant thereto;

Bass Portfolio means the freehold and leasehold properties in England and Wales and the heritable and leasehold properties situated in Scotland, and all goodwill, equipment and Intellectual Property, which, as at the 16 December 1997 were the subject of the Bass Acquisition Agreement;

Borrower means Punch Pub Company (PTL) Limited a company registered in England and Wales with company number 3512363;

Borrower Charged Property means the property, rights and assets of the Borrower which are the subject of security interests created by it in favour of the Security Trustee pursuant to the Punch Taverns Deeds of Charge (including without limitation each Scottish Property secured pursuant to a Punch Taverns Standard Security);

Borrower Subordinated Loan Agreements means the PTIHL Subordinated Loan Agreement, the PRAC Subordinated Loan Agreement and the PRAF Subordinated Loan Agreement;

Borrower's Secured Amounts means the moneys and liabilities which the Borrower covenants and undertakes in clause 2.2 of the Punch Taverns First Priority Deed of Charge to pay or discharge, and all claims, demands and damages for breach of any such covenant, and references to the Borrower's Secured Amounts includes references to any of them;

Business Day means a day, excluding Saturday or Sunday, on which banks are open for business in London for the transaction of normal banking business;

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Centrum means Punch Pub Company (Centrum) Limited, a company registered in England and Wales with number 4773139;

Charging Companies means each of the companies listed in Schedule 3, Part 2 to this Form 395;

Class A(R) Notes means together the Class A1(R) Notes, the Class A2(R) Notes and the Class A3(R) Notes;

Class A1(R) Coupons means, in respect of the Class A1(R) Notes, the bearer principal and interest coupons in or substantially in the form set out in Part D and Part E of the Schedule 1 to the Trust Deed, appertaining to the Definitive Class A1(R) Notes and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 13;

Class A1(R) Global Notes means, as the context requires, the Class A1(R) Temporary Global Note and/or the Class A1(R) Permanent Global Note;

Class A1(R) Definitive Notes means the bearer notes in definitive form which may be issued in respect of Class A1(R) Notes pursuant to, and in the circumstances specified in, clause 3.7 of the Trust Deed and includes any replacements for Class A1(R) Definitive Notes issued pursuant to Condition 13 and are issued substantially in the form set out in Part C of Schedule 1 to the Trust Deed;

Class A1(R) Noteholders means the several persons who are for the time being holders of the Class A1(R) Notes (being, if and to the extent that the Class A1(R) Notes are represented by the Definitive Class A1(R) Notes, the bearers thereof and, if and to the extent that the Class A1(R) Notes are represented by the Class A1(R) Global Note, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class A1(R) Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class A1(R) Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Note Trustee, solely in the bearer of the Class A1(R) Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and the words **holder** and **holders** of Class A1(R) Notes shall (where appropriate) be construed accordingly;

Class A1(R) Notes means the £270,000,000 7.274 per cent. Class A1(R) Secured Notes due 2022 (formerly designated as Class A4 Notes) issued by the Issuer and constituted pursuant to the Trust Deed and/or any Additional Class A1(R) Notes, as the case may be, and references to the Class A1(R) Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class A1(R) Permanent Global Note means a permanent global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class A1(R) Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Class A1(R) Temporary Global Note means a temporary global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class A1(R) Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Class A2(R) Coupons means, in respect of Class A2(R) Notes, the bearer principal and interest coupons in or substantially in the form set out in Part D and Part E of Schedule 1 to the Trust Deed, appertaining to the Class A2(R) Definitive Notes and includes, where applicable, the Talons appertaining thereto and any replacement coupons and talons issued pursuant to Condition 13;

Class A2(R) Definitive Note means the bearer notes in definitive form which may be issued in respect of Class A2(R) Notes pursuant to, and in the circumstances specified in, clause 3.7 of the Trust Deed and includes any replacements for Class A2(R) Definitive Notes issued pursuant to Condition 13 and are issued substantially in the form set out in Part C of Schedule 1 to the Trust Deed;

Class A2(R) Global Notes means, as the context requires, the Class A2(R) Temporary Global Note and/or the Class A2(R) Permanent Global Note;

Class A2(R) Noteholders means the several persons who are for the time being holders of the Class A2(R) Notes (being, if and to the extent that the Class A2(R) Notes are represented by the Definitive Class A2(R) Notes, the bearers thereof and, if and to the extent that the Class A2(R) Notes are represented by the Class A2(R) Global Note, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class A2(R) Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class A2(R) Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Note Trustee, solely in the bearer of the Class A2(R) Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and the words ***holder*** and ***holders*** of Class A2(R) Notes shall (where appropriate) be construed accordingly;

Class A2(R) Notes means the £300,000,000 6.82 per cent. Class A2(R) Secured Notes due 2020 issued by the Issuer and constituted by the Trust Deed and/or any Additional Class A2(R) Notes, as the case may be, and references to the Class A2(R) Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class A2(R) Permanent Global Notes means a permanent global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class A2(R) Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Class A2(R) Temporary Global Note means a temporary global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class A2(R) Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Class A3(R) Global Notes means, as the context requires, the Class A3(R) Temporary Global Note and/or the Class A3(R) Permanent Global Note;

Class A3(R) Coupons means, in respect of Class A3(R) Notes, the bearer principal and interest coupons in or substantially in the form set out in Part D and Part E of Schedule 1 to the Trust Deed, appertaining to the Class A3(R) Definitive Notes and includes, where applicable, the Talons appertaining thereto and any replacement coupons and talons issued pursuant to Condition 13;

Class A3(R) Definitive Note means the bearer notes in definitive form which may be issued in respect of Class A3(R) Notes pursuant to, and in the circumstances specified in, clause 3.7 of the Trust Deed and includes any replacements for Class A3(R) Definitive Notes issued pursuant to Condition 13 and are issued substantially in the form set out in Part C of Schedule 1 to the Trust Deed;

Class A3(R) Noteholders means the several persons who are for the time being holders of the Class A3(R) Notes (being, if and to the extent that the Class A3(R) Notes are represented by the Definitive Class A3(R) Notes, the bearers thereof and, if and to the extent that the Class A3(R) Notes are represented by the Class A3(R) Global Note, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class A3(R) Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class A3(R) Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Note Trustee, solely in the bearer of the Class A3(R) Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and the words ***holder*** and ***holders*** of Class A3(R) Notes shall (where appropriate) be construed accordingly;

Class A3(R) Notes means the £150,000,000 Class A3(R) Secured Floating Rate Notes due 2009 issued by the Issuer and constituted pursuant to the Trust Deed and/or any Additional Class A3(R) Notes, as the case may be, and references to the Class A3(R) Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class A3(R) Permanent Global Notes means a permanent global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class A3(R) Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Class A3(R) Temporary Global Note means a temporary global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class A3(R) Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Class B Notes means together the Class B1 Notes and the Class B2 Notes;

Class B Noteholders means together the Class B1 Noteholders and the Class B2 Noteholders;

Class B1 Coupons means, in respect of the Class B1 Notes, the bearer principal and interest coupons in or substantially in the form set out in Part D and Part E of the Schedule 1 to the Trust Deed, appertaining to the Definitive Class B1 Notes and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 13;

Class B1 Definitive Notes means the bearer notes in definitive form which may be issued in respect of Class B1 Notes pursuant to, and in the circumstances specified in, clause 3.7 of the Trust Deed and includes any replacements for Class B1 Definitive Notes issued pursuant to Condition 13 and are issued substantially in the form set out in Part C of Schedule 1 to the Trust Deed;

Class B1 Global Notes means, as the context requires, the Class B1 Temporary Global Note and/or the Class B1 Permanent Global Note;

Class B1 Noteholders means the several persons who are for the time being holders of the Class B1 Notes (being, if and to the extent that the Class B1 Notes are represented by the Definitive Class B1 Notes, the bearers thereof and, if and to the extent that the Class B1 Notes are represented by the Class B1 Global Note, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class B1 Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class B1 Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Note Trustee, solely in the bearer of the Class B1 Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and the words *holder* and *holders* of Class B1 Notes shall (where appropriate) be construed accordingly;

Class B1 Notes means the £140,000,000 7.567 per cent. Class B1 Secured Notes due 2026 issued by the Issuer and constituted pursuant to the Trust Deed and/or any Additional Class B1 Notes, as the case may be, and references to the Class B1 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class B1 Permanent Global Note means a permanent global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class B1 Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Class B1 Temporary Global Note means a temporary global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class B1 Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Class B2 Coupons means, in respect of the Class B2 Notes, the bearer principal and interest coupons in or substantially in the form set out in Part D and Part E of the Schedule 1 to the Trust Deed, appertaining to the Definitive Class B2 Notes and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 13;

Class B2 Global Notes means, as the context requires, the Class B2 Temporary Global Note and/or the Class B2 Permanent Global Note;

Class B2 Definitive Notes means the bearer notes in definitive form which may be issued in respect of Class B2 Notes pursuant to, and in the circumstances specified in, clause 3.7 of the Trust Deed and includes any replacements for Class B2 Definitive Notes issued pursuant to Condition 13 and are issued substantially in the form set out in Part C of Schedule 1 to the Trust Deed;

Class B2 Noteholders means the several persons who are for the time being holders of the Class B2 Notes (being, if and to the extent that the Class B2 Notes are represented by the Definitive Class B2 Notes, the bearers thereof and, if and to the extent that the Class B2 Notes are represented by the Class B2 Global Note, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class B2 Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class B2 Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Note Trustee, solely in the bearer of the Class B2 Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and the words ***holder*** and ***holders*** of Class B2 Notes shall (where appropriate) be construed accordingly;

Class B2 Notes means the £150,000,000 8.374 per cent. Class B2 Secured Notes due 2029 issued by the Issuer and constituted pursuant to the Trust Deed and/or any Additional Class B2 Notes, as the case may be, and references to the Class B2 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class B2 Permanent Global Note means a permanent global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class B2 Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Class B2 Temporary Global Note means a temporary global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class B2 Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Class C(R) Coupons means, in respect of the Class C(R) Notes, the bearer principal and interest coupons in or substantially in the form set out in Part D and Part E of the Schedule 1 to the Trust Deed, appertaining to the Definitive Class C(R) Notes and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 13;

Class C(R) Global Notes means, as the context requires, the Class C(R) Temporary Global Note and/or the Class C(R) Permanent Global Note;

Class C(R) Definitive Notes means the bearer notes in definitive form which may be issued in respect of Class C(R) Notes pursuant to, and in the circumstances specified

in, clause 3.7 of the Trust Deed and includes any replacements for Class C(R) Definitive Notes issued pursuant to Condition 13 and are issued substantially in the form set out in Part C of Schedule 1 to the Trust Deed;

Class C(R) Noteholders means the several persons who are for the time being holders of the Class C(R) Notes (being, if and to the extent that the Class C(R) Notes are represented by the Definitive Class C(R) Notes, the bearers thereof and, if and to the extent that the Class C(R) Notes are represented by the Class C(R) Global Note, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class C(R) Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class C(R) Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Note Trustee, solely in the bearer of the Class C(R) Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and the words ***holder*** and ***holders*** of Class C(R) Notes shall (where appropriate) be construed accordingly;

Class C(R) Notes means the £215,000,000 6.468 per cent. Class C(R) Secured Notes due 2033 issued by the Issuer and constituted pursuant to the Trust Deed and/or any Additional Class C(R) Notes, as the case may be, and references to the Class C(R) Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class C(R) Permanent Global Note means a permanent global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class C(R) Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Class C(R) Temporary Global Note means a temporary global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class C(R) Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Class D(R) Coupons means, in respect of the Class D(R) Notes, the bearer principal and interest coupons in or substantially in the form set out in Part D and Part E of Schedule 1 to the Trust Deed, appertaining to the Definitive Class D(R) Notes and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 13;

Class D(R) Global Notes means, as the context requires, the Class D(R) Temporary Global Note and/or the Class D(R) Permanent Global Note;

Class D(R) Definitive Notes means the bearer notes in definitive form which may be issued in respect of Class D(R) Notes pursuant to, and in the circumstances specified in, clause 3.7 of the Trust Deed and includes any replacements for Class D(R) Definitive Notes issued pursuant to Condition 13 and are issued substantially in the form set out in Part C of Schedule 1 to the Trust Deed;

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Class D(R) Noteholders means the several persons who are for the time being holders of the Class D(R) Notes (being, if and to the extent that the Class D(R) Notes are represented by the Definitive Class D(R) Notes, the bearers thereof and, if and to the extent that the Class D(R) Notes are represented by the Class D(R) Global Note, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class D(R) Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class D(R) Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Note Trustee, solely in the bearer of the Class D(R) Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and the words *holder* and *holders* of Class D(R) Notes shall (where appropriate) be construed accordingly;

Class D(R) Notes means the £25,000,000 10.414 per cent. Class D(R) Secured Notes due 2027 (formerly designated as Class C Notes) issued by the Issuer and constituted pursuant to the Trust Deed and/or any Additional Class D(R) Notes, as the case may be, and references to the Class D(R) Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class D(R) Permanent Global Note means a permanent global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class D(R) Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Class M Notes means together the Class M1 Notes and the Class M2 Notes;

Class M1 Global Notes means, as the context requires, the Class M1 Temporary Global Note and/or the Class M1 Permanent Global Note;

Class M1 Definitive Notes means the bearer notes in definitive form which may be issued in respect of Class M1 Notes pursuant to, and in the circumstances specified in, clause 3.7 of the Trust Deed and includes any replacements for Class M1 Definitive Notes issued pursuant to Condition 13 and are issued substantially in the form set out in Part C of Schedule 1 to the Trust Deed;

Class M1 Noteholders means the several persons who are for the time being holders of the Class M1 Notes (being, if and to the extent that the Class M1 Notes are represented by the Definitive Class M1 Notes, the bearers thereof and, if and to the extent that the Class M1 Notes are represented by the Class M1 Global Note, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class M1 Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class M1 Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Note Trustee, solely in the bearer of the Class M1 Global

Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and the words *holder* and *holders* of Class M1 Notes shall (where appropriate) be construed accordingly;

Class M1 Notes means the £200,000,000 5.883 per cent. Class M1 Secured Notes due 2026 issued by the Issuer and constituted pursuant to the Trust Deed and/or any Additional Class M1 Notes, as the case may be, and references to the Class M1 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class M1 Permanent Global Note means a permanent global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class M1 Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Class M1 Temporary Global Note means a temporary global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class M1 Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Class M2 Global Notes means, as the context requires, the Class M2 Temporary Global Note and/or the Class M2 Permanent Global Note;

Class M2 Coupons means, in respect of Class M2 Notes, the bearer principal and interest coupons in or substantially in the form set out in Part D and Part E of Schedule 1 to the Trust Deed, appertaining to the Class M2 Definitive Notes and includes, where applicable, the Talons appertaining thereto and any replacement coupons and talons issued pursuant to Condition 13;

Class M2 Definitive Note means the bearer notes in definitive form which may be issued in respect of Class M2 Notes pursuant to, and in the circumstances specified in, clause 3.7 of the Trust Deed and includes any replacements for Class M2 Definitive Notes issued pursuant to Condition 13 and are issued substantially in the form set out in Part C of Schedule 1 to the Trust Deed;

Class M2 Noteholders means the several persons who are for the time being holders of the Class M2 Notes (being, if and to the extent that the Class M2 Notes are represented by the Definitive Class M2 Notes, the bearers thereof and, if and to the extent that the Class M2 Notes are represented by the Class M2 Global Note, the persons for the time being shown in the records of Euroclear and Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream, Luxembourg) as being holders of the Class M2 Notes) in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of Class M2 Notes standing to the account of any person shall be conclusive and binding for all purposes (other than for the purposes of payments in respect thereof the right to which shall be vested, as against the Issuer and the Note Trustee, solely in the bearer of the Class M2 Global Notes in accordance with and subject to their respective terms and the terms of the Trust Deed) and the words *holder* and *holders* of Class M2 Notes shall (where appropriate) be construed accordingly;

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Class M2 Notes means the £400,000,000 Class M2 Secured Floating Rate Notes due 2026 issued by the Issuer and constituted pursuant to the Trust Deed and/or any Additional Class M2 Notes, as the case may be, and references to the Class M2 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class M2 Permanent Global Notes means a permanent global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class M2 Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Class M2 Temporary Global Note means a temporary global note to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Class M2 Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Clearstream, Luxembourg means Clearstream Banking, société anonyme;

Closing Date means 3 November 2003;

CMG means Punch Pub Company (CMG) Limited (registered in England and Wales with company number 02639687);

CMG Acquisition Agreement means the business and asset sale agreement dated the Closing Date and made between, *inter alios*, CMG and the Borrower, together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered into or to be entered into pursuant thereto;

CMG Scottish Declaration of Trust means the declaration of trust dated the Closing Date in respect of the Scottish Properties sold pursuant to the CMG Acquisition Agreement granted by CMG in favour of the Borrower;

Collection Account means the account of Punch Pub Company (PTL) Limited maintained with the Account Bank (account number 00943053, sort code 20-07-71) or such other account approved by the Security Trustee, from time to time, and in respect of which there are equivalent Encumbrances to those created pursuant to the Punch Taverns Deeds of Charge;

Conditions means the terms and conditions applicable to the Notes in the form set out in Schedule 2 to the Trust Deed as the same may from time to time be altered in accordance with the provisions of the Trust Deed and any reference in the Trust Deed or in any other Relevant Document to a particular numbered Condition shall be construed accordingly;

Controlled Cash Account means the account of Punch Pub Company (PTL) Limited maintained with the Account Bank (account number 80070017, sort code 20-07-71) or such other account approved by the Security Trustee, from time to time, and in respect of which there are equivalent Encumbrances to those created pursuant to the Punch Taverns Deeds of Charge;

Convention means the Modified Following Business Day Convention as defined in the 2000 ISDA Definitions;

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Corporate Services Agreement means the corporate services agreement dated 3 November, 2003 made between, *inter alios*, the Issuer, the Parent, the Security Trustee and SPV Management Limited;

Coupons means the Class A1(R) Coupons, the Class A2(R) Coupons, the Class A3(R) Coupons, the Class M1 Coupons, the Class M2 Coupons, the Class B1 Coupons, the Class B2 Coupons, the Class C(R) Coupons, the Class D(R) Coupons and any further coupons appertaining to any further notes that may from time to time be issued and, in each case, for the time being outstanding or, as the context may require, a specific number thereof, and includes any replacement Coupons issued pursuant to Condition 13;

Deeds of Escrow means each of the PTF Deed of Escrow and the PFII Deed of Escrow;

Definitive Notes means the Class A1(R) Definitive Notes, the Class A2(R) Definitive Notes, the Class A3(R) Definitive Notes, the Class M1 Definitive Notes, the Class M2 Definitive Notes, the Class B1 Definitive Notes, the Class B2 Definitive Notes, the Class C(R) Definitive Notes and the Class D(R) Definitive Notes or, as the context may require, any combination of the same;

Disposal Proceeds Account means the account of Punch Pub Company (PTL) Limited maintained with the Account Bank (account number 80414611, sort code 20-07-71) or such other account approved by the Security Trustee, from time to time, and in respect of which there are equivalent Encumbrances to those created pursuant to the Punch Taverns Deeds of Charge;

Dormant Subsidiaries means each of the subsidiaries of Punch Retail (Dormant Companies) Holdings Limited;

Due for Payment means, in relation to any Guaranteed Amount that the relevant due date for payment of such Guaranteed Amount in accordance with the Conditions has occurred (and for the avoidance of doubt does not refer to any earlier date upon which payment for any Guaranteed Amount may become due in respect of the Class A2(R) Notes or the Class A3(R) Notes by reason of prepayment, acceleration of maturity or otherwise);

Eligible Investments means:

- (a) sterling gilt-edged securities; and
- (b) sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper),

provided that in all cases:

- (i) such investments have a maturity date falling no later than the next following Loan Interest Payment Date or Interest Payment Date (as the case may be) (provided that where such investment is to be made by the Borrower or the Issuer (as the case may be) from moneys standing to the credit of a Fixed Account, such investments may mature, and the proceeds in relation thereto may be credited to the relevant Fixed Account, on a date falling after the next

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succeeding Loan Interest Payment Date or Interest Payment Date (as the case may be) but not more than three months from the date on which such investment is purchased, where immediately following the purchase of such investment the aggregate of the cash balance of the relevant Fixed Account and the proceeds scheduled to be repaid pursuant to any Eligible Investments which mature on or before the next succeeding Loan Interest Payment Date or Interest Payment Date (as the case may be) would be greater than or equal to such amount as is due and payable from the relevant Fixed Account on the next succeeding Loan Interest Payment Date or Interest Payment Date (as the case may be));

- (ii) the short-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised bank under the Financial Services and Markets Act 2000) are rated “A-1”, “P-1” or “F-1” (or equivalent) or higher by the Rating Agencies or as otherwise acceptable to the Rating Agencies; and
- (iii) interest thereon is payable without withholding or deduction for or on account of tax;

Encumbrance includes any mortgage, standard security, charge (whether legal or equitable), assignation in security, pledge, lien, hypothecation or other encumbrance securing any obligation of any person (including, without limitation, title transfer and retention arrangements (other than those entered into in the ordinary course of business), sale and leaseback, sale and repurchase arrangements or any other agreement, trust or arrangement having the effect of providing security);

Escrow Agent means Deutsche Bank AG acting through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB and such other person from time to time appointed as the Escrow Agent under either Deed of Escrow, subject to and in accordance with the terms of such Deed of Escrow;

Estate means, at any time, the Pubs owned by the Securitisation Group at that time, in relation to which the beneficial interest is held by the Securitisation Group at that time, including the Punch Taverns Mortgaged Properties which are or become owned (whether legally or beneficially) by the Borrower, details of such properties at the Closing Date being set out in Schedule 1 to the Punch Taverns First Priority Deed of Charge;

Euroclear means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

Exchange Agents means each of the Principal Exchange Agent, the Luxembourg Exchange Agent and any other agent appointed pursuant to the Exchange Agency Agreement;

Exchange Agency Agreement means the exchange agency agreement dated 8 September 2003 between the Issuer, Punch Funding II Limited, the Principal Exchange Agent and the Luxembourg Exchange Agent and any fee letter entered into pursuant thereto;

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Excluded Assets means the Section 179 Intra Group Loans and the Hive Down Indemnities;

Excluded Group Entity means any member of the Punch Group and any affiliate thereof in each case that is not a member of the Securitisation Group;

Extension Request has the meaning given to it in clause 3.4 of the Liquidity Facility Agreement;

Finance Lease means a contract between a lessor and a lessee treated as a finance lease in accordance with Accounting Principles;

Financial Adviser means Ernst and Young LLP acting through its office at 1 Colmore Row, Birmingham B2 2DB;

Financial Advisory Services Agreement means the agreement dated the Closing Date between the Obligor, the Parent, the Financial Adviser and the Security Trustee;

Financial Indebtedness means in relation to any Obligor at any time any indebtedness incurred (other than between Obligor) in respect of:

- (a) the principal amount, and the capitalised element (if any), of money borrowed or raised and debit balances at banks and premiums if any and capitalised interest in respect thereof;
- (b) the principal, premiums (if any) and capitalised interest (or the issue price thereof if issued at a discount) in respect of any debenture, bond note, loan stock or similar debt instrument;
- (c) liabilities in respect of any letter of credit, standby letter of credit, acceptance credit, bill discounting or note purchase facility and any receivables purchase, factoring or discounting arrangements (save to the extent there is no recourse to such Obligor in respect thereof);
- (d) rental or hire payments under any Finance Lease and hire purchase agreement;
- (e) the deferred purchase price of assets or services save for any such arrangement entered into in the ordinary course of trading and having a term not exceeding six months from the date on which the liability was originally incurred;
- (f) liabilities in respect of any foreign exchange agreement, currency swap or interest purchase or swap or other derivative transactions or similar arrangements (other than the Hedging Agreement) provided that where under any applicable law, the parties to any such agreement, swap, transaction or arrangement are entitled to net off their respective liabilities to each other under that or any other agreement, swap, transaction or arrangement the amount of Financial Indebtedness of the relevant Securitisation Group Entity shall be the net exposure to the relevant counterparty of the relevant member of the Securitisation Group under all such agreements, swaps, transactions or arrangements with such counterparty as the relevant Securitisation Group Entity is entitled under the applicable law to net off against each other (being

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the net amount payable by such party on termination or closing out of all such arrangements determined on a mark to market basis);

- (g) all obligations to purchase, redeem, retire, decrease or otherwise acquire for value any share capital of any person or any warrants, rights or options to acquire such share capital pursuant to transactions which in each such case have the commercial effect of borrowing or which otherwise finance its or the Securitisation Group's operations or capital requirements;
- (h) any other transactions having the commercial effect of borrowing entered into by such Obligor (including any sale and leaseback transaction); and
- (i) all Financial Indebtedness of other persons (other than Obligors) of the kinds referred to in paragraphs (a) to (h) above guaranteed or indemnified directly or indirectly in any manner by such Obligor or having the commercial effect of being guaranteed or indemnified directly or indirectly by such Obligor or any other form of financial assurance;

Financial Quarter means the period beginning on (and including) the Closing Date and ending on (and including) 13 December 2003 and thereafter each period beginning on (but excluding) a Financial Quarter Date and ending on (and including) the next Financial Quarter Date;

Financial Quarter Date means in respect of the Financial Year current at the time of the Closing Date, 13 December 2003, 6 March 2004, 29 May 2004 and 21 August 2004 and, thereafter, the date on which the quarterly accounting period of the Borrower ends, being:

- (a) for the first Financial Quarter, the date which is 16 weeks after the fourth Financial Quarter Date in the immediately preceding Financial Year;
- (b) for the second Financial Quarter, the date which is 12 weeks after the previous Financial Quarter Date;
- (c) for the third Financial Quarter, the date which is 12 weeks after the previous Financial Quarter Date; and
- (d) for the fourth Financial Quarter, the date which is 12 weeks, or, in the case of 53 week Financial Year, 13 weeks after the previous Financial Quarter Date;

Financial Year means the 52-week or 53-week (as the case may be) period ending on the Financial Quarter Date falling in August of each year, being, in respect of the Financial Year in which the Closing Date falls, the 52-week period ending on (and including) 21 August 2004;

First PTF Issuer/Borrower Facility Agreement means the agreement dated the Initial Closing Date as supplemented by a supplemental issuer/borrower facility agreement dated the Tap Issue Closing Date and as further supplemented and amended and restated with effect from the Relevant Time on the Closing Date pursuant to the Master Amendment Deed made between the Obligors, the Issuer, the Agent Bank and the Security Trustee pursuant to which the Issuer has agreed and shall agree to make

available, from time to time, certain loan facilities to the Borrower upon and subject to the terms set out therein;

First Supplemental Punch Taverns Deed of Charge means the deed of charge dated 27 October 2000 between, *inter alios*, the Issuer, the Security Trustee, the Borrower, PTIHL, Punch Taverns Properties Limited, Punch Taverns Holdings Limited, Punch Taverns Been Supply Company Limited, Punch Taverns (Fradley) Limited, the Original Floor Provider and the Further Hedge Provider;

First Supplemental Trust Deed means a trust deed dated 25 October, 2000 supplemental to the Original Trust Deed between the Issuer and the Note Trustee;

Fitch means Fitch Ratings Ltd and includes any successor to its rating business;

Fixed Accounts means each of:

- (a) the Controlled Cash Account;
- (b) the Disposal Proceeds Account;
- (c) the Maintenance CapEx Account;
- (d) Issuer Transaction Account;
- (e) Liquidity Facility Reserve Account;
- (f) Issuer Cash Collateralisation Account;
- (g) the Collection Account; and
- (h) the Acquisition Reserve Account;

Floating Rate Notes means together the Class A3(R) Notes, the Class M2 Notes and any New Notes having a floating rate of interest;

Fradley Acquisition Agreement means the sub-sale agreement dated 25 October 2000 and made between Punch Taverns (Fradley) Limited and the Borrower relating to the acquisition of the Fradley Portfolio together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered into or to be entered into pursuant thereto;

Fradley Portfolio means the freehold and leasehold properties in England and Wales and the heritable and leasehold properties situated in Scotland, and all goodwill, equipment and Intellectual Property, which were the subject of the Fradley Acquisition Agreement;

Fradley Scottish Declaration of Trust means the declaration of trust dated 25 October 2000 in respect of the heritable and leasehold properties situated in Scotland sold pursuant to the Fradley Acquisition Agreement granted by Punch Taverns (Fradley) Limited in favour of the Borrower;

Further Hedge Provider means Citibank, N.A.;

Further Punch Taverns Mortgaged Properties means the freehold and leasehold properties in England and Wales details of which are set out in Part 1 of Schedule 2 to the Third Supplemental Punch Taverns Deed of Charge and the heritable and leasehold properties in Scotland details of which are set out in Part 2 of Schedule 2 to the Third Supplemental Punch Taverns Deed of Charge;

Global Notes means the Class A1(R) Global Notes, the Class A2(R) Global Notes, the Class A3(R) Global Notes, the Class M1 Global Notes, the Class M2 Global Notes, the Class B1 Global Notes, the Class B2 Global Notes, the Class C(R) Global Notes and the Class D(R) Global Notes, any Additional Global Notes, any New Global Notes or, as the context may require, any combination of the same;

Group Transaction Documents means together the Relevant Documents and the Reorganisation Documents;

Guaranteed Amounts means Scheduled Interest and Scheduled Principal;

Guarantee and Reimbursement Agreement means the agreement dated the Closing Date between, *inter alios*, the Issuer and Ambac;

Guarantors means each of the companies listed in Schedule 3, Part 1 to this Form 395;

Hedge Provider means The Royal Bank of Scotland plc;

Hedges means each of the hedging transactions entered into by the Borrower and the Hedge Provider under the Hedging Agreement;

Hedging Agreement means the ISDA Master Agreements entered into between the Hedge Provider, the Borrower and the Security Trustee on the Closing Date;

Hive Down Indemnities means each of the indemnities provided by the Borrower:

- (a) in favour of CMG pursuant to clause 7.3 of the CMG Acquisition Agreement;
- (b) in favour of PPC Fradley pursuant to clause 7.3 of the PPC Fradley Acquisition Agreement; and
- (c) in favour of VPR pursuant to clause 7.3 of the VPR Acquisition Agreement;

Holding Company means a holding company within the meaning of Section 736 of the Companies Act 1985 (as amended);

Initial Closing Date means 26 March 1998;

Initial Hedge Provider Requisite Rating means, for such time as The Royal Bank of Scotland plc is the Hedge Provider and in relation to The Royal Bank of Scotland plc only, a rating assigned to its short-term unsecured, unsubordinated and unguaranteed debt obligations by the Rating Agencies of "A-1"/"P-1"/"F-1" (or in relation to Fitch only its long-term equivalent) and a rating assigned to its long-term unsecured, unsubordinated and unguaranteed debt obligations by S&P of "A" and by Moody's of "Aa3";

Inn Business Acquisition Agreement means the transfer agreement dated 25 October 2000 and made between Punch Pub Company (IB) Limited and the Borrower relating to the acquisition of the Inn Business Portfolio together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered into or to be entered into pursuant thereto;

Insurance Policies means each of the policies of insurance set out in the Insurance Register and any policies of insurance (other than policies of life assurance or life insurance) taken out by or on behalf of any Obligor, in which any Obligor may now or hereafter have an interest;

Insurance Register means the register of insurance policies set out in Schedule 3 to the Punch Taverns First Priority Deed of Charge;

Intellectual Property means all right, title, interest and benefit, present and future, in and to intellectual property rights, including all trade marks, designs, copyrights and other intellectual property monopoly rights and interests (including any licence (save to the extent that the licence contains a prohibition against such assignment or charge)), whether registered or not and including all applications for the same and including all fees, royalties and other rights derived therefrom or incidental thereto;

Interest Payment Date means 15 April, 15 July, 15 October and 15 January in each calendar year unless that date is not a Business Day, in which case the Convention shall apply;

Intra Group Indebtedness means:

- (a) Financial Indebtedness incurred by an Obligor on an unsecured or subordinated basis pursuant to a loan from another Obligor to fund the payment of (i) directors' fees and expenses charged by SPV Management Limited or any other independent director of the Obligor required to be a director of the relevant Obligor under the terms of the Issuer/Borrower Facility Agreements or (ii) auditor's fees and the fees of other professional advisers of the Obligor up to a total amount incurred by the Obligors (other than the Borrower) in total in any one Financial Year of £50,000;
- (b) Financial Indebtedness incurred by an Obligor on an unsecured or subordinated basis pursuant to a loan from another Obligor as consideration for the transfer of group relief provided that such Financial Indebtedness is incurred on a non-cash basis;
- (c) Financial Indebtedness incurred by the Borrower on an unsecured or subordinated basis from another Obligor; and
- (d) Financial Indebtedness incurred by an Obligor on an unsecured or subordinated basis pursuant to a loan from another Obligor up to the amount of any Permitted Restricted Payment permitted under the Issuer/Borrower Facility Agreements provided that to the extent that:
 - (i) any funds received pursuant to such a loan are paid by the Obligor to an Excluded Group Entity, such payment shall constitute Restricted

Payment which is permitted under the terms of the Issuer/Borrower Facility Agreements; and

- (ii) the amount of any Restricted Payment that is funded by such a loan shall not have also been funded from another source.

Intra-Group Supply Agreements means the supply agreement between the Borrower and SupplyCo dated on or about 21 July, 2003 and the supply agreement between SupplyCo and Punch Pub Company (VPR) Limited dated on or about 21 July, 2003 as amended and restated;

Issuer means Punch Taverns Finance plc incorporated in England and Wales with company number 3487780;

Issuer/Borrower Facility Agreements means together the First PTF Issuer/Borrower Facility Agreement and the Second PTF Issuer/Borrower Facility Agreements (each an ***Issuer/Borrower Facility Agreement***);

Issuer Cash Collateralisation Account means the account of the Issuer which is maintained with the Account Bank (account number 90537799, sort code 20-07-71) (or such other account approved by the Security Trustee from time to time (and in respect of which there are equivalent Encumbrances to those created pursuant to the Issuer Deed of Charge)) and into which payments are made pursuant to clause 17.2 of the Issuer/Borrower Facility Agreements;

Issuer Charged Property means the whole of the right, title, benefit and interest of the Issuer in and to the property, assets and rights of the Issuer from time to time described or referred to in clause 3 of the Issuer Deed of Charge (including, without limitation, any Additional Issuer Charged Property) together with all other property, assets and rights whatsoever of the Issuer and wheresoever situate, present and future, including without limitation any uncalled share capital of the Issuer;

Issuer Deed of Charge means the deed dated the Closing Date made between the Issuer, the Security Trustee, the Note Trustee, the Liquidity Facility Agent, the Agent Bank, the Servicer, the Principal Paying Agent, the Escrow Agent, the Exchange Agents and the Luxembourg Paying Agent and as amended and supplemented from time to time;

Issuer Secured Creditors means each of:

- (a) the Security Trustee;
- (b) the Note Trustee;
- (c) the Class A1(R) Noteholders;
- (d) the Class A2(R) Noteholders;
- (e) the Class A3(R) Noteholders;
- (f) the Class M1 Noteholders;

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- (g) the Class M2 Noteholders;
- (h) the Class B1 Noteholders;
- (i) the Class B2 Noteholders;
- (j) the Class C(R) Noteholders;
- (k) the Class D(R) Noteholders;
- (l) Ambac;
- (m) any New Noteholders;
- (n) any Additional Noteholders
- (o) the Liquidity Facility Providers;
- (p) the Liquidity Facility Agent;
- (q) the Agent Bank;
- (r) the Account Bank;
- (s) the Servicer;
- (t) the Principal Paying Agent;
- (u) the Luxembourg Paying Agent;
- (v) the Financial Adviser;
- (w) prior to the termination of the Exchange Agency Agreement and the payment in full or discharge of all monies and liabilities owed to the Exchange Agents thereunder, the Exchange Agents; and
- (x) prior to the termination of the Deeds of Escrow and the payment in full or discharge of all monies and liabilities owed to the Escrow Agent thereunder, the Escrow Agent,

together with any other person who from time to time provides finance to or enters into hedging arrangements with the Issuer and who the Security Trustee and the Issuer have agreed to be an Issuer Secured Creditor;

Issuer Transaction Account means the account of the Issuer maintained with the Account Bank (account number 20209139, sort code 20-07-71) (or such other account approved by the Security Trustee, from time to time, and in respect of which there are equivalent Encumbrances to those created pursuant to the Issuer Deed of Charge) and into which amounts are paid pursuant to clause 5.2 of the Issuer Deed of Charge;

Jubilee means Punch Pub Company (Jubilee) Limited, a company registered in England and Wales with number 4821157;

Lead Manager means The Royal Bank of Scotland plc;

Lease Agreement means an occupational lease (which shall include, for the avoidance of doubt, a tenancy at will (or its Scottish equivalent)) in respect of a Pub in the Estate entered into between any Obligor and the operator of a Pub in respect of a particular Punch Taverns Mortgaged Property;

Lease Receivables means all right, title and interest in and to amounts payable under or in respect of a Lease Agreement and the benefit of each Tenant's covenant and obligation to pay rent thereunder including all rights to receive payment of any amounts which may have become payable by the Tenant thereunder;

Liquidity Facility means the committed revolving facility provided by the Liquidity Facility Providers to the Issuer under the Liquidity Facility Agreement;

Liquidity Facility Agent means Deutsche Bank AG or such other person or entity acting as agent for the Liquidity Facility Providers pursuant to the Liquidity Facility Agreement, from time to time;

Liquidity Facility Agent Fee Letter means the fee letter dated the Closing Date between the Liquidity Facility Agent and the Issuer;

Liquidity Facility Agreement means the agreement dated the Closing Date between the Issuer, the Liquidity Facility Providers, the Liquidity Facility Agent and the Security Trustee pursuant to which the Liquidity Facility Providers will agree to provide the Issuer, from time to time, with advances for the purposes specified therein, subject to and in accordance with the terms thereof;

Liquidity Facility Providers means at the Closing Date, Barclays Bank PLC and Lloyds TSB Bank plc and thereafter any other bank which is a Qualifying Bank whose short-term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least equal to the Liquidity Facility Requisite Rating which participates in the Liquidity Facility from time to time pursuant to the Liquidity Facility Agreement and **Liquidity Facility Providers** shall be construed accordingly;

Liquidity Facility Requisite Rating means, in relation to a Liquidity Facility Provider and/or the Account Bank, a rating assigned to its short-term unsecured, unsubordinated and unguaranteed debt obligations of at least "A-1"/"P-1"/"F1" (or its long-term equivalent) from S&P, Moody's and Fitch or such other short-term or long-term rating as is appropriate for the long-term rating (or for so long as any Class A2(R) Notes or Class A3(R) Notes are outstanding, the Underlying Rating) assigned by the Rating Agencies from time to time to the highest ranking class of Notes then outstanding or which is otherwise acceptable to such Rating Agencies;

Liquidity Facility Reserve Account means the account in England in the name of the Issuer (at the date of this Schedule, account number 30296597, sort code 20-07-71):

- (a) if the reason for the Liquidity Facility Stand-by Drawing is a refusal by a Liquidity Facility Provider of an Extension Request, and for so long as the relevant Liquidity Facility Provider has the Requisite Rating, with the Liquidity Facility Provider; or

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(b) in any other case, with a bank which has the Requisite Rating;

Liquidity Facility Stand-by Drawing means a drawing made under clause 4.5 of the Liquidity Facility Agreement;

Loan Interest Payment Date means:

- (a) in relation to the Term Facilities (other than the New Term Facilities), the Business Day falling three Business Days prior to the relative Interest Payment Date; and
- (b) in relation to the New Term Facilities, unless otherwise agreed in writing, shall be the Business Day falling at least three Business Days prior to the relative interest payment date in respect of the relevant issue of New Notes made or to be made by the Issuer to fund such New Term Advance which date shall be agreed between the Borrower, the Issuer and the Security Trustee at the time the New Notes are issued;

Luxembourg Exchange Agent Deutsche Bank Luxembourg S.A. of 2, boulevard Konrad Adenauer, L-1115 Luxembourg or such other person from time to time appointed as Luxembourg Exchange Agent, subject to and in accordance with the terms of the Exchange Agency Agreement;

Luxembourg Paying Agent means Deutsche Bank Luxembourg S.A. of 2, boulevard Konrad Adenauer, L-1115 Luxembourg or such other person from time to time appointed as Luxembourg paying agent, subject to and in accordance with the Terms of the Agency Agreement;

Maintenance CapEx Account means the account of Punch Pub Company (PTL) Limited maintained with the Account Bank (account number 30919594, sort code 20-07-71) or such other account approved by the Security Trustee, from time to time, and in respect of which there are equivalent Encumbrances to those created pursuant to the Punch Taverns Deeds of Charge;

Management Services Agreement means the management services agreement dated the Closing Date between Punch Pub Company (VPR) Limited, the Borrower, Punch Pub Company (Fradley) Limited and Punch Group (Retail Properties) Limited;

Managers means together the Lead Manager and Citigroup Global Markets Limited;

Master Amendment Deed means the Master Deed of Release and Amendment dated 3 November 2003 made between *inter alios* the Issuer, the Obligors, the Paying Agents and SPV Management Limited, pursuant to which with effect from the Relevant Time, *inter alia*, amendments were effected to certain terms of certain of the Relevant Documents;

Material Adverse Effect means any effect which in the opinion of the Security Trustee:

- (a) is, or is likely to be, materially adverse to:

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- (i) the business, assets (as a whole) or financial condition of the Securitisation Group (as a whole); or
 - (ii) the ability of the Obligors taken as a whole to perform in a timely manner all or any of their respective financial obligations under any of the Relevant Documents; or
- (b) results in any of the Relevant Documents not being legal, valid and binding on and enforceable against any party thereto and/or in the case of any Security Documents not providing to the Security Trustee security over the assets expressed to be secured under that Security Document, in each case in any materially adverse respect;

Material Contracts means:

- (a) the Supply Agreements;
- (b) the Intra Group Supply Agreements; and
- (c) the Management Services Agreement,

each as varied or replaced by further contracts relating to the supply of beer and other beverages and other similar revenue generating contracts from time to time and notified to or approved by the Security Trustee and (prior to the occurrence of an Ambac Termination Event) Ambac in accordance with the Issuer/Borrower Facility Agreements;

Moody's means Moody's Investors Service and includes any successor to its rating business;

New Global Notes means a New Temporary Global Note and a New Permanent Global Note relating to the same New Issue;

New Issue means an issue of New Notes;

New Noteholders means the holders of New Notes from time to time;

New Notes means any Notes of the Issuer which do not form a single series with the existing Notes and which are constituted by a deed supplemental to the Trust Deed pursuant to clause 2.6 of the Trust Deed and for the time being outstanding or, as the context may require, a specific number thereof and includes the new global note (or any part thereof) representing the same and (if issued) the definitive new notes (or any of them) representing the same;

New Permanent Global Note means a permanent Global Note in bearer form without coupons to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing the Principal Amount Outstanding of a New Issue, substantially in the form of Part B of Schedule 1 to the Trust Deed;

New Temporary Global Note means a temporary Global Note in bearer form without coupons to be issued by the Issuer pursuant to clause 3 of the Trust Deed representing a New Issue, substantially in the form of Part A of Schedule 1 to the Trust Deed;

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New Term Advance means in relation to a New Term Facility, save as otherwise provided, an advance made by the Issuer under the New Term Facility;

New Term Facility means a term facility funded by the issue of New Notes which and which is requested from the Issuer by the Borrower pursuant to clause 2.12 of an Issuer/Borrower Facility Agreement and made available to the Borrower by the Issuer in accordance with and subject to the provisions of clause 2.13 of an Issuer/Borrower Facility Agreement;

Noteholders means the holders of each class of Notes then outstanding and includes, where the context so requires, any Additional Noteholders of any class of Additional Notes and any holders of any class of Additional Notes or New Notes;

Notes means the Class A1(R) Notes, the Class A2(R) Notes, the Class A3(R) Notes the Class M1 Notes, the Class M2 Notes, the Class B1 Notes, the Class B2 Notes, the Class C(R) Notes, the Class D(R) Notes and the New Notes or, as the context may require, any combination of the same;

Note Trustee means Deutsche Trustee Company Limited whose principal place of business is at Winchester House, 1 Great Winchester Street, London EC2N 2DB or any other person or persons for the time being acting as the trustee or trustees pursuant to the Trust Deed;

Obligors means the Borrower and each of the Guarantors;

Obligor Charged Property means the property, rights and assets of the Obligors which are the subject of security interests created by them pursuant to the Punch Taverns Deeds of Charge (including, without limitation, any Punch Taverns Standard Securities granted by an Obligor);

Operating Account means the account of Punch Pub Company (PTL) Limited maintained with the Account Bank (account number 30642568, sort code 20-07-71) or such other account approved by the Security Trustee, from time to time;

Original Floor Provider means General Re Financial Products Corporation;

Original Guarantors means the Parent, PropertyCo and PT SupplyCo;

Original Pub Lease means a Lease Agreement in respect of a Punch Taverns Mortgaged Property other than a Further Punch Taverns Mortgaged Property;

Original Punch Taverns Deed of Charge means the deed of charge dated 9 April 1998 between, *inter alios*, the Borrower, the Issuer, the Security Trustee, the Borrower, Punch Taverns Properties Limited, Punch Taverns Holdings Limited and Punch Taverns Beer Supply Company Limited, PTIHL and the Original Floor Provider;

Original Securities means the securities listed in Part A of Schedule 2 to the Punch Taverns First Priority Deed of Charge;

Original Trust Deed means the trust deed dated the Initial Closing Date between the Issuer and Deutsche Bank International Trust Co. (Jersey) Limited;

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outstanding means, in relation to the Class A1(R) Notes, the Class A2(R) Notes, the Class A3(R) Notes, the Class M1 Notes, the Class M2 Notes, the Class B1 Notes, the Class B2 Notes, the Class C(R) Notes or the Class D(R) Notes, all Class A1(R) Notes, Class A2(R) Notes, Class A3(R) Notes, Class M1 Notes, Class M2 Notes, Class B1 Notes, Class B2 Notes, Class C(R) Notes or Class D(R) Notes issued other than:

- (a) those Notes in respect of which the date for redemption in full (subject, in the case of the Class M Notes, the Class B Notes, the Class C(R) Notes and the Class D(R) Notes to Condition 16) has occurred and the full amount of the redemption moneys relating thereto (including all interest payable thereon) has been duly paid to the Note Trustee in the manner provided in the Trust Deed or to the Principal Paying Agent in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders) and remains available for payment against presentation of the relevant Notes and/or Coupons;
- (b) those Notes which have been redeemed in full or part and cancelled in accordance with Condition 5;
- (c) those Definitive Notes which have become void under Condition 8;
- (d) those mutilated or defaced Definitive Notes which have been surrendered and in respect of which replacements have been issued pursuant to Condition 13;
- (e) (for the purpose only of ascertaining the amount of Definitive Notes outstanding and without prejudice to the status for any other purpose of the relevant Definitive Notes) those Definitive Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 13 or;
- (f) the Temporary Global Notes to the extent that they shall have been exchanged for the Permanent Global Notes;
- (g) the Global Notes to the extent that they have been exchanged for other Global Notes or for Definitive Notes;

PROVIDED THAT for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Class A1(R) Noteholders, the Class A2(R) Noteholders, the Class A3(R) Noteholders, the Class M1 Noteholders, the Class M2 Noteholders, the Class B1 Noteholders, the Class B2 Noteholders, the Class C(R) Noteholders or the Class D(R) Noteholders;
- (ii) the determination of how many and which of the Class A1(R) Notes, the Class A2(R) Notes, the Class A3(R) Notes, the Class M1 Notes, the Class M2 Notes, the Class B1 Notes, the Class B2 Notes, the Class C(R) Notes or the Class D(R) Notes are for the time being outstanding for the purposes of clauses 2, 3, 7 and 18 of the Trust Deed, Conditions 9, 10 and 11 and paragraphs 3, 6, 7 and 11 of Schedule 4 to the Trust Deed;

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- (iii) any discretion, power or authority (whether contained in the Trust Deed, or any of the Relevant Documents to which the Note Trustee or the Security Trustee is a party or conferred upon the Note Trustee by operation of law) which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of any of the Class A1(R) Noteholders, the Class A2(R) Noteholders, the Class A3(R) Noteholders, the Class M1 Noteholders, the Class M2 Noteholders, the Class B1 Noteholders, the Class B2 Noteholders, the Class C(R) Noteholders and/or the Class D(R) Noteholders; and
- (iv) the determination by the Note Trustee whether any of the events specified in Condition 9 is materially prejudicial to the interests of the Class A1(R) Noteholders, the Class A2(R) Noteholders, the Class A3(R) Noteholders, the Class M1 Noteholders, the Class M2 Noteholders, the Class B1 Noteholders, the Class B2 Noteholders, the Class C(R) Noteholders and/or the Class D(R) Noteholders, as the case may be,

the Class A1(R) Notes, the Class A2(R) Notes, the Class A3(R) Notes, the Class M1 Notes, the Class M2 Notes, the Class B1 Notes, the Class B2 Notes, the Class C(R) Note, and/or the Class D(R) Notes which are for the time being held beneficially by or for the account of the Issuer or any member of the Punch Group, or any subsidiary of the Issuer or any member of the Punch Group or any Holding Company of the Issuer or any member of the Punch Group or any Holding Company of any one of the Punch Group shall (unless and until ceasing to be so held and in, the case of the Issuer, cancelled) be deemed not to remain outstanding and if any of (i) to (iv) above relates to an Ambac Event of Default or the Ambac Guarantee, the Class A1(R) Notes, the Class A2(R) Notes, the Class A3(R) Notes, the Class M1 Notes, the Class M2 Notes, the Class B1 Notes, the Class B2 Notes, the Class C(R) Note, and/or the Class D(R) Notes which are for the time being held beneficially by or for the account of Ambac or any affiliate of Ambac shall (unless ceasing to be so held) be deemed not to remain outstanding;

Parent means Punch Taverns Holdings Limited (registered in England and Wales with company number 3499144);

Parent's Secured Amounts means the moneys and liabilities which the Parent covenants and undertakes in clause 2.1 of the Punch Taverns First Priority Deed of Charge to pay or discharge and all claims, demands and damages for breach of any such covenant and undertaking;

Parties means, in relation to an agreement, the parties to that agreement;

Paying Agents means the Principal Paying Agent and the Luxembourg Paying Agent and/or such other or further paying agents for the Notes as may from time to time be appointed in accordance with the Agency Agreement and/or such other or further specified offices as may from time to time be nominated in accordance with the Agency Agreement;

Permanent Global Notes means the Class A1(R) Permanent Global Note, the Class A2(R) Permanent Global Note, the Class A3(R) Permanent Global Note, the Class M1 Permanent Global Note, the Class M2 Permanent Global Note, the Class B1

Permanent Global Note, the Class B2 Permanent Global Note, the Class C(R) Permanent Global Note and the Class D(R) Permanent Global Note or, as the context may require, any combination of the same;

Permitted Disposal means any disposal made or to be made in accordance with clause 16.5 of either Issuer/Borrower Facility Agreement.

Permitted Encumbrances means:

- (a) subject to clause 16.3(o) of each Issuer/Borrower Facility Agreement, the Lease Agreements;
- (b) liens or hypothecs arising solely by operation of law (or by agreement having substantially the same effect) and in the ordinary course of any Obligor's (other than the Issuer's) business securing obligations not more than 6 months overdue;
- (c) rights of set-off existing in the ordinary course of business between any Securitisation Group Entity and its respective suppliers or customers;
- (d) the rights of the owners and/or lessors of any assets or property acquired by any Securitisation Group Entity under any hire purchase or Finance Lease transaction which falls within sub-clause (f) of the definition of Permitted Financial Indebtedness;
- (e) an Encumbrance arising under the Security Documents; and
- (f) any other Encumbrance created with the prior written consent of the Security Trustee;

Permitted Financial Indebtedness means:

- (a) Financial Indebtedness existing under the Material Contracts;
- (b) Financial Indebtedness outstanding pursuant to the Issuer/Borrower Facility Agreements;
- (c) Financial Indebtedness outstanding pursuant to the Borrower Subordinated Loans;
- (d) Financial Indebtedness incurred with the consent of the Security Trustee;
- (e) any other Financial Indebtedness permitted or envisaged by the Relevant Documents;
- (f) Financial Indebtedness arising under and/or in respect of Finance Leases and/or hire purchase agreements not exceeding £5,000,000 in aggregate principal amount outstanding at any time;
- (h) any other form of further Financial Indebtedness provided that it is made on a fully subordinated basis (and provided further that, by its terms, such further subordinated Financial Indebtedness may only be serviced out of Permitted

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Restricted Payments other than those set out at clause 16.4(c) of each Issuer/Borrower Facility Agreement);

- (i) any other authorised new debt provided that the Rating Agencies have confirmed the then current rating of the Notes, the consent of the Security Trustee and (prior to the occurrence of an Ambac Termination Event which is continuing) Ambac has been obtained;
- (j) Financial Indebtedness incurred by an Obligor under a loan from another Obligor provided that such Financial Indebtedness is unsecured and fully subordinated to the obligations of the Obligor incurring such Financial Indebtedness under the Issuer/Borrower Facility Agreements and the Punch Taverns Deeds of Charge;
- (k) Financial Indebtedness incurred by an Obligor to an Excluded Group Entity where such loan is being made by such Excluded Group Entity as consideration for the transfer of a Pub to the Obligor for market value and provided that such Pub has a positive Pub Contribution and that the loan must be subordinated, unsecured, limited recourse and no cash is paid out under the relevant loan except that such further subordinated Financial Indebtedness may be serviced out of Permitted Restricted Payments other than those set out at clause 16.4(c) of each Issuer/Borrower Facility Agreement;
- (l) Financial Indebtedness incurred by the Borrower pursuant to a drawing on an Operating Account in accordance with the terms of the Bank Agreement (including any limits);
- (m) any Intra Group Indebtedness;
- (n) any other transaction consented to in advance by the Security Trustee;

Permitted Restricted Payment has the meaning given to it in clause 16.4(b) of the Issuer/Borrower Facility Agreements;

PFII Deed of Escrow means the escrow deed dated the Closing Date between the Escrow Agent, Punch Funding II Limited, the Issuer and Deutsche Trustee Company Limited as note trustee in relation to the PFII FRNs and any fee letter entered into pursuant thereto;

PFII FRNs means the Class M Secured Floating Rate Notes due 2029, the Class N1 Secured Floating Rate Notes due 2030 and the Class O Secured Floating Rate Notes due 2030 issued by Punch Funding II Limited on 28 June 2000 in each case which remain outstanding as at the Closing Date;

PGRPL means Punch Group (Retail Properties) Limited, a company registered in England and Wales with number 3988664;

PGRPL Acquisition Agreement means the business and asset sale agreement dated the Closing Date and made between, *inter alios*, PGRPL and the Borrower together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered into or to be entered into pursuant thereto;

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PPC Fradley means Punch Pub Company (Fradley) Limited (registered in England and Wales with company number 03946310);

PPC Fradley Acquisition Agreement means the business and asset sale agreement dated the Closing Date and made between, *inter alios*, PPC Fradley and the Borrower together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered or to be entered into pursuant thereto;

PPC Fradley Scottish Declaration of Trust means the declaration of trust dated the Closing Date in respect of the Scottish Properties sold pursuant to the PPC Fradley Acquisition Agreement granted by PPC Fradley in favour of the Borrower;

PRAC means Punch Retail (Acquisition Company) Limited (registered in England and Wales with company number 3780351);

PRAC Subordinated Loan Agreement means the loan agreement dated the Closing Date between PRAC, the Borrower and the Security Trustee pursuant to which PRAC agrees to make available to the Borrower the PRAC Subordinated Loan;

PRAC Subordinated Loan means the £349,692,640 loan to be made by PRAC to the Borrower on or about the Closing Date pursuant to the PRAC Subordinated Loan Agreement;

PRAF means Punch Retail (Acquisition Finance) Limited (registered in England and Wales with company number 3731233);

PRAF Subordinated Loan Agreement means, together, the loan agreement, dated 28 June 2000 as amended, restated and novated on 3 November 2003 between the Borrower, PRAF and the Security Trustee and the loan agreement dated the Closing Date between PRAF, the Borrower and the Security Trustee pursuant to which PRAF agrees to make available to the Borrower the PRAF Subordinated Loan;

PRAF Subordinated Loan means the loan to be made by PRAF to the Borrower on or about the Closing Date pursuant to the PRAF Subordinated Loan Agreement;

PRHL means Punch Retail Holdings Limited (registered in England and Wales with company number 124723);

Preliminary Offering Circular means the preliminary offering circular of the Issuer dated 14 October 2003 relating to the issuance of the Refinancing Notes;

Principal Amount Outstanding has the meaning given to it in Condition 5(h);

Principal Exchange Agent means Deutsche Bank AG acting through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB and such other person from time to time appointed as the Principal Exchange Agent under the Exchange Agency Agreement, subject to and in accordance with the terms of the Exchange Agency Agreement;

Principal Paying Agent means Deutsche Bank AG acting through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB or such other

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person from time to time appointed as the principal paying agent, subject to and in accordance with the terms of the Agency Agreement;

PropertyCo Scottish Declarations of Trust means the two declarations of trust dated 9 April 1998 and 27 October 2000 in respect of the heritable and leasehold properties situated in Scotland specified therein granted by PropertyCo in favour of the Borrower;

PropertyCo means Punch Taverns Properties Limited (registered in England and Wales with company number 3528601);

PropertyCo's Secured Amounts means the moneys and liabilities which PropertyCo covenants and undertakes in clause 2.4 of the Punch Taverns First Priority Deed of Charge to pay or discharge and all claims, demands and damages for breach of any such covenant and undertaking;

PT SupplyCo's Secured Amounts means the moneys and liabilities which PT SupplyCo covenants and undertakes in clause 2.3 of the Punch Taverns First Priority Deed of Charge to pay or discharge and all claims, demands and damages for breach of any such covenant and undertaking;

PT(ES)L means Punch Taverns (ES) Limited a company registered in England and Wales with company number 3548800.

PTF Deed of Escrow means the escrow deed dated the Closing Date between the Escrow Agent, the Issuer and the Note Trustee and any fee letter entered into pursuant thereto;

PTIHL means Punch Taverns Intermediate Holdings Limited (registered in England and Wales with company number 3412600);

PTIHL Subordinated Loan Agreement means the loan agreement dated 26 March 1998 as amended and restated on 27 October 2000 and as further amended and restated with effect from the Relevant Time on the Closing Date pursuant to the Master Amendment Deed between, *inter alios*, PTIHL, the Borrower, the Parent and the Security Trustee pursuant to which PTIHL advanced to the Borrower the PTIHL Subordinated Loan;

PTIHL Subordinated Loan means the loan made by PTIHL to the Borrower on 9 April 1998 pursuant to the terms of the PTIHL Subordinated Loan Agreement;

Pub means a public house (which for the avoidance of doubt includes a bar or nightclub) in England, Wales or Scotland;

Pub Contribution means in relation to Pubs in the Estate (or Pubs to be acquired that will become part of the Estate following acquisition), the mean for the previous 24 months (or, in the case of a Pub that has been sold, the 24 month period prior to its sale) of the sum of average beer discount, rent, AWP machine income received (or estimated to have been received) by the Borrower (or the relevant owner) from the relevant Pub less all expenses directly attributable to the relevant Pub provided that:

- (i) where there is less than a 24 month trading history available in respect of a Pub;
- (ii) in the view of the Borrower (acting reasonably) the trading history of a Pub is unreliable; or
- (iii) the trading history of a Pub is expressed in terms other than rent, beer discount or AWP income,

estimates may be made by the Borrower on the basis of advice or a valuation prepared by an appropriately qualified reputable third party property or other Adviser to determine an appropriate estimate of the 24 month trading history for the relevant Pub (provided further that the Financial Adviser confirms to the Security Trustee that, in relation to any such estimates, the arithmetic of any calculations made by the Borrower is correct and any figures extracted from a third party advice or valuation have been correctly extracted by the Borrower);

Pub Lease means an Original Pub Lease or a Further Pub Lease;

Punch Group means Punch Taverns plc and all of its subsidiaries;

Punch Taverns Charged Property means the Borrower Charged Property, the Obligor Charged Property and the ordinary shares in the Parent owned by PT(ES)L which are the subject of security interests created by it in favour of the Security Trustee pursuant to the Punch Taverns Deeds of Charge together with the property, rights and assets of the Charging Companies which are the subject of security interests created by them pursuant to the Punch Taverns Deeds of Charge (including, without limitation, any Punch Taverns Standard Securities granted by a Charging Company) or any part thereof as the context may require;

Punch Taverns Deeds of Charge means, together, the Punch Taverns First Priority Deed of Charge and the Punch Taverns Second Priority Deed of Charge;

Punch Taverns First Priority Deed of Charge means the Original Punch Taverns Deed of Charge as amended and supplemented by the Supplemental Punch Taverns Group Deeds of Charge;

Punch Taverns Mortgaged Properties means the freehold and leasehold properties in England and Wales details of which are set out in Part A of Schedule 1 to the Punch Taverns First Priority Deed of Charge, together with the Scottish Properties, and which are subject to or intended to be subject to a legal mortgage or, in Scotland, standard security in favour of the Security Trustee under the Punch Taverns Deeds of Charge or the Punch Taverns Standard Securities from time to time and any other freehold, heritable or leasehold properties that may be mortgaged or subject to a standard security in favour of the Security Trustee from time to time and ***Punch Taverns Mortgaged Property*** shall be construed accordingly;

Punch Taverns Secured Amounts means together the Borrower's Secured Amounts, the Parent's Secured Amounts, PT SupplyCo's Secured Amounts, PropertyCo's Secured Amounts and the Additional Secured Amounts and references to the Punch Taverns Secured Amounts includes references to any of them;

Punch Taverns Secured Parties means:

- (a) the Issuer;
- (b) the Security Trustee;
- (c) any Receiver;
- (d) the Hedge Provider;
- (e) PTIHL;
- (f) PRAC;
- (g) PRAF; and
- (h) the Account Bank

together with any other person who from time to time provides finance to or enters into hedging arrangements with the Borrower and who the Borrower and the Security Trustee have agreed to be a Punch Taverns Secured Party, and ***Punch Taverns Secured Party*** means any of them;

Punch Taverns Security Documents means:

- (a) the Punch Taverns Deeds of Charge; and
- (b) the Punch Taverns Standard Securities;

together with any other document or instrument granted in favour of the Security Trustee (on behalf of the Punch Taverns Secured Parties) creating or evidencing security for all or any part of the obligations and liabilities of the Obligors or any of them under any of the Relevant Documents whether by way of personal covenant, charge, security interest, mortgage, standard security, pledge or otherwise, and ***Punch Taverns Security Document*** shall be construed accordingly;

Punch Taverns Standard Securities means the standard securities granted over the Scottish Properties or any other heritable or leasehold property in Scotland pursuant to the Punch Taverns First Priority Deed of Charge in either of the forms set out in Schedule 8 to the Punch Taverns First Priority Deed of Charge and ***Punch Taverns Standard Security*** shall be construed accordingly;

Qualifying Bank means

- (a) an institution which is beneficially entitled to interest payable under the Liquidity Facility Agreement and is for the time being a bank as defined for the purposes of Section 840A of the Income and Corporation Taxes Act 1988 (as in force in the United Kingdom at the date hereof) and which is, at the time of any payment of interest to it pursuant to the Liquidity Facility Agreement, within the charge to United Kingdom corporation tax as respects such interest; or

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- (b) a company resident in the United Kingdom for United Kingdom Tax purposes; or
- (c) a partnership each member of which is a company resident in the United Kingdom for United Kingdom tax purposes; or
- (d) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a branch or agency and which brings into account interest payable in respect of that advance in computing its chargeable profits (within the meaning given by section 11(2) of the Taxes Act);

Rating Agencies means the rating agencies currently rating the Notes and which as at the Closing Date means Moody's, Fitch and S&P or two other internationally recognised credit rating agencies acceptable to the Security Trustee;

Receiver means any person or persons appointed (and any additional person or persons appointed or substituted) as administrative receiver, receiver, manager, or receiver and manager of the Issuer Charged Property or the Punch Taverns Charged Property, as the context may require, by the Security Trustee under the Issuer Deed of Charge or any of the Punch Taverns Deeds of Charge or otherwise;

Refinancing Notes means together the Class A2(R) Notes, the Class A3(R) Notes, the Class M1 Notes, the Class M2 Notes, the Class B2 Notes and the Class C Notes in each case as issued on the Closing Date;

Relevant Change means any variation (but excluding any variation in accordance with the terms of the relevant Lease Agreement), concession, waiver or change (whether temporary or permanent) to the provisions in a Lease Agreement relating to the Lease Receivables;

Relevant Documents means:

- (a) the Issuer/Borrower Facility Agreements;
- (b) the Original Punch Taverns Deed of Charge;
- (c) the Supplemental Punch Taverns Deeds of Charge;
- (d) the Punch Taverns Second Priority Deed of Charge;
- (e) the Liquidity Facility Agreement;
- (f) this Amended Master Definitions and Construction Schedule;
- (g) the Original Trust Deed;
- (h) the First Supplemental Trust Deed;
- (i) the Second Supplemental Trust Deed;
- (j) the Hedging Agreement;

- (k) the Servicing and Cash Management Agreement;
- (l) the Financial Advisory Services Agreement;
- (m) the Subscription Agreement;
- (n) the Bank Agreement;
- (o) the Agency Agreement;
- (p) the Tax Deed of Covenant;
- (q) the Corporate Services Agreement;
- (r) the Issuer Deed of Charge;
- (s) the Punch Taverns Standard Securities
- (t) the Borrower Subordinated Loan Agreements;
- (u) the Ambac Guarantee;
- (v) the Guarantee and Reimbursement Agreement;
- (w) the Master Deed of Amendment;
- (x) the Deeds of Escrow;
- (y) the Exchange Agency Agreement;
- (z) the Liquidity Facility Agent Fee Letter,

and any document evidencing the terms of any other agreement or document that may be entered into or executed pursuant to any of the foregoing by the Obligors, the Charging Companies or the Issuer or any of them and any other agreement or document designated in writing as a **Relevant Document** by the Security Trustee and the Borrower together;

Relevant Time means the moment in time immediately after issue by the Issuer of the Refinancing Notes;

Reorganisation Documentation means:

- (a) the PPC Fradley Acquisition Agreement;
- (b) the CMG Acquisition Agreement;
- (c) the PGRPL Acquisition Agreement;
- (d) the VPR Acquisition Agreement;
- (e) the Scottish Declarations of Trust; and

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- (f) Punch Pub Company Agency and Transitional Services Agreement dated the Closing Date between the Borrower, PPC Fradley, CMG and VPR;
- (g) loan agreement dated the Closing Date between the Borrower and VPR;
- (h) Transitional Services (Excluded Pubs) Agreement dated the Closing Date between CMG, PPC Fradley, VPR, the Borrower, PGRPL, Jubilee and Centrum;
- (i) Agency and Transitional Services Agreement dated the Closing Date between the Borrower, VPR, CMG and PPC Fradley;
- (j) (i) the business and asset sale agreement dated 2 November 2003 and made between, *inter alios*, PPC Fradley and PGRPL together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered into or to be entered into pursuant thereto and (ii) the declaration of trust dated 2 November 2003 in respect of the properties situated in Scotland sold pursuant to such agreement granted by PPC Fradley in favour of PGRPL;
- (k) (i) the business and asset sale agreement dated 2 November 2003 and made between, *inter alios*, PPC Fradley and Centrum together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered into or to be entered into pursuant thereto and (ii) the declaration of trust dated 2 November 2003 in respect of the properties situated in Scotland sold pursuant to such agreement granted by PPC Fradley in favour of Centrum;
- (l) (i) the business and asset sale agreement dated 2 November 2003 and made between, *inter alios*, CMG and PGRPL together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered into or to be entered into pursuant thereto and (ii) the declaration of trust dated 2 November 2003 in respect of the properties situated in Scotland sold pursuant to such agreement granted by CMG in favour of PGRPL;
- (m) (i) the business and asset sale agreement dated 2 November 2003 and made between, *inter alios*, CMG and Jubilee together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered into or to be entered into pursuant thereto and (ii) the declaration of trust dated 2 November 2003 in respect of the properties situated in Scotland sold pursuant to such agreement granted by CMG in favour of Jubilee;
- (n) (i) the business and asset sale agreement dated the Closing Date and made between, *inter alios*, VPR and PGRPL together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered into or to be entered into pursuant thereto and (ii) the declaration of trust dated the Closing Date in respect of the properties situated in Scotland sold pursuant to such agreement granted by VPR in favour of PGRPL;

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- (o) (i) the business and asset sale agreement dated the Closing Date and made between, *inter alios*, the Borrower and PGRPL together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered into or to be entered into pursuant thereto and (ii) the declaration of trust dated the Closing Date in respect of the properties situated in Scotland sold pursuant to such agreement granted by the Borrower in favour of PGRPL;
- (p) the deeds of sale and declaration of trust dated 2 November 2003 between Punch Taverns Investments Limited and PTIHL;
- (q) the deeds of sale and declaration of trust dated 2 November 2003 between PTIHL and Punch Taverns (ES) Limited;
- (r) the deeds of sale and declaration of trust dated 2 November 2003 between Punch Taverns (ES) Limited and the Parent;
- (s) the deed of sale and declaration of trust dated 2 November 2003 between PRAC and Punch Retail (Acquisition Jersey) Limited;
- (t) the deed of sale and declaration of trust dated 2 November 2003 between Punch Retail (Acquisition Jersey) Limited and Punch Taverns plc;
- (u) the deed of sale and declaration of trust dated 2 November 2003 between Punch Taverns plc and Punch Group Equity Limited;
- (v) the deed of sale and declaration of trust dated 2 November 2003 between Punch Group Equity Limited and Punch Taverns Group Limited;
- (w) the deed of sale and declaration of trust dated 2 November 2003 between Punch Taverns Group Limited and Punch Taverns Investments Limited;
- (x) the loan agreements relating to each of the Section 179 Intra Group Loans;
- (y) the stamp duty reserve loan agreement dated the Closing Date between Punch Group Equity Limited and the Borrower;
- (aa) the subordinated loan agreement dated the Closing Date between CMG and Punch Pub Company (Red) Limited;
- (bb) the subordinated loan agreement dated the Closing Date between L&P 34 Limited and CMG;
- (cc) the subordinated loan agreement dated the Closing Date between PRHL and the Borrower;
- (dd) the subordinated loan agreement dated the Closing Date between the Borrower and VPR;
- (ee) the subordinated loan agreement dated the Closing Date between VPR and PRHL; and

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- (ff) the property transfers relating to the Punch Taverns Mortgaged Properties transferred to the Borrower pursuant to the Acquisition Agreements;

Replacement Hedge Provider Requisite Rating means, in relation to any Hedge Provider other than The Royal Bank of Scotland plc (a **Replacement Hedge Provider**), a rating assigned to its short-term unsecured, unsubordinated and unguaranteed debt obligations by Fitch of at least “F-1” and a rating assigned to its long-term unsecured, unsubordinated and unguaranteed debt obligations by S&P of “A+” and by Moody’s of “A1” or such other minimum long-term rating as is required to maintain the then current rating assigned by the Rating Agencies from time to time to the highest ranking class of Notes and (for so long as the Class A2(R) Notes or the Class A3(R) Notes are outstanding) the Underlying Rating and which (prior to the occurrence of an Ambac Termination Event) has been approved by Ambac, provided that the entry into of the relevant replacement hedging arrangements with such Replacement Hedge Provider will not result in a downgrading of the then current ratings of the Notes or (for so long as the Class A2(R) Notes or Class A3(R) Notes are outstanding) the Underlying Rating;

Requisite Rating means the Initial Hedge Provider Requisite Rating, the Replacement Hedge Provider Requisite Rating or, as the case may be, the Liquidity Facility Requisite Rating;

Restricted Payment has the meaning give to it in clause 16.4(a) of each Issuer/Borrower Facility Agreement;

S&P means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. and includes any successor to its rating business;

Scheduled Interest means in respect of the Class A2(R) Notes and the Class A3(R) Notes, all payments of interest in respect of such Notes;

Scheduled Principal means:

- (a) in respect of the Class A2(R) Notes, on any Interest Payment Date, the amount of the Class A2(R) Scheduled Amortisation Amount set out opposite such Interest Payment Date in Condition 5(b)(ii) together with (without double counting) the redemption amount payable in accordance with Condition 5(a)(ii); and
- (b) in respect of the Class A3(R) Notes, on any Interest Payment Date, the amount of the Class A3(R) Scheduled Amortisation Amount set out opposite such Interest Payment Date in Condition 5(b)(iii) together with (without double counting) the redemption amount payable in accordance with Condition 5(a)(iii),

provided that in each case there shall always be excluded principal or sums payable in respect of (i) any mandatory redemption in part pursuant to Condition 5(c), (ii) any optional redemption pursuant to Condition 5(d) (including, for the avoidance of doubt, any sums due pursuant to Condition 5(d)(iii)) and (iii) any redemption pursuant to Condition 5(e);

Scottish Declarations of Trust means together the PropertyCo Scottish Declarations of Trust, the Fradley Scottish Declaration of Trust, the PPC Fradley Scottish Declaration of Trust, the CMG Scottish Declaration of Trust and the VPR Scottish Declarations of Trust each being a **Scottish Declaration of Trust**;

Scottish Properties means the heritable and leasehold properties situated in Scotland details of which are set out in Part B of Schedule 1 to the Punch Taverns First Priority Deed of Charge and **Scottish Property** shall be construed accordingly;

Scottish Supplemental Issuer Deed of Charge means any assignation in security made in favour of the Security Trustee pursuant to clause 3.12 of the Issuer Deed of Charge substantially in the form set out in Schedule 3 to the Issuer Deed of Charge or in any other form agreed between the Security Trustee and the Issuer;

Second PTF Issuer/Borrower Facility Agreement means the agreement dated the Closing Date made between the Obligors, the Issuer, the Agent Bank and the Security Trustee pursuant to which the Issuer has agreed and shall agree to make available, from time to time, certain loan facilities to the Borrower upon and subject to the terms set out therein;

Second Supplemental Punch Taverns Deed of Charge means the deed of charge dated 8 August 2003 between, *inter alios*, the Borrower and the Security Trustee;

Second Supplemental Trust Deed means a trust deed dated 3 November 2003 supplemental to the Original Trust Deed between the Issuer, the Note Trustee and Ambac;

Section 179 Intra Group Loans means together:

- (a) the subordinated loan made by Punch Retail Limited to Punch Taverns plc in an amount of £30,000,000 pursuant to a loan agreement dated 28 June 2000;
- (b) the subordinated loan made by PPC Fradley to Punch Group (Equity) Limited in an amount of £42,455,326 pursuant to a loan agreement dated the Closing Date;
- (c) the subordinated loan made by Punch Pub Company (Red) Limited to Punch Group (Equity) Limited in an amount of £4,411,299 pursuant to a loan agreement dated the Closing Date;
- (d) the subordinated loan made by White Rose Inns Limited to Punch Group (Equity) Limited in an amount of £5,000,000 pursuant to a loan agreement dated the Closing Date;
- (e) the subordinated loan made by L&P 34 Limited to Punch Group (Equity) Limited in an amount of £24,000,000 pursuant to a loan agreement dated the Closing Date;
- (f) the subordinated loan made by CMG to Punch Group (Equity) Limited in an amount of £16,373,555 pursuant to a loan agreement dated the Closing Date;
- (d) the subordinated loan made by VPR to Punch Group (Equity) Limited in an amount of £15,000,000 pursuant to a loan agreement dated the Closing Date; and

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(e) the subordinated loan made by Punch Retail (Holdings) Limited to Punch Group (Equity) Limited in an amount of £5,000,000 pursuant to a loan agreement dated the Closing Date,

each a *Section 179 Intra Group Loan*;

Securitisation Group means, on the Closing Date, Punch Taverns Holdings Limited and its subsidiaries other than Punch Retail (Dormant Companies) Holdings Limited, the Dormant Subsidiaries, Punch Retail (CMS) Limited, Punch Retail (Off-Sales) Limited, Punch Taverns (Fradley) Limited, Punch Pub Company (IB) Limited and each of the subsidiaries of Punch Pub Company (IB) Limited and thereafter any other company which grants security to the Security Trustee pursuant to the Punch Taverns Deeds of Charge or any deed supplemental to the Punch Taverns Deeds of Charge;

Securitisation Group Entity means a company being a member for the time being of the Securitisation Group;

Security means the security from time to time constituted by or pursuant to the Punch Taverns Security Documents;

Security Documents means:

- (a) the Punch Taverns Security Documents; and
- (b) the Issuer Deed of Charge;

together with any other document or instrument granted in favour of the Security Trustee (on behalf of the Punch Taverns Secured Parties or Issuer Secured Creditors (as the case may be)) creating or evidencing security for all or any part of the obligations and liabilities of the Obligor or any of them under any of the Relevant Documents whether by way of personal covenant, charge, security interest, mortgage, standard security, pledge or otherwise, and *Security Document* shall be construed accordingly;

Servicer means Punch Pub Company (PTL) limited or such other servicer as is appointed from time to time pursuant to the terms of the Servicing and Cash Management Agreement;

Servicing and Cash Management Agreement means the agreement dated the Closing Date between the Issuer, the Servicer and the Security Trustee, pursuant to which the Borrower will agree to provide the Issuer and the Security Trustee with certain administration and cash management services upon and subject to the terms set out therein;

Subscription Agreement means the agreement dated 30 October,, 2003 between the Issuer, each Obligor, Ambac and the Managers (as may be amended and/or supplemented from time to time) relating to the purchase and issue of the Refinancing Notes;

Supplemental Punch Taverns Deeds of Charge means the First Supplemental Punch Taverns Deed of Charge, the Second Supplemental Punch Taverns Deed of Charge and the Third Supplemental Punch Taverns Deed of Charge;

Supply Agreements means:

- (a) the Beer Supply and Delivery Agreement dated 12 April 2002 between Carlsberg-Tetley, Punch Supply Company Limited, Carlsberg-Tetley PLC, Punch Group Limited and SupplyCo;
- (b) the Beer Supply Agreement made between SupplyCo and Coors Breweries Limited dated 9 May 2003; and
- (c) the Distribution Agreement made between Carlsberg-Tetley and SupplyCo dated 9 December 2002;

SupplyCo means Punch Pub Company (Supply) Limited (registered in England and Wales with company number 04221944);

Talons means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to a Definitive Note, such talons being in the form or substantially in the form set out in Part F and Part G of Schedule 1 to the Trust Deed or in such other form as may be agreed between the Issuer and the Principal Paying Agent;

Tap Issue means the issue by the Issuer on the Tap Issue Closing Date of £50,000,000 further class A1 secured floating rate notes due 2008, £25,000,000 further class A2 secured floating rate notes due 2011, £15,000,000 further class A3 secured floating rate notes due 2015, £95,000,000 7.274 per cent. further class A4 secured notes due 2022, £40,000,000 7.567 per cent. further class B secured notes due 2026 and £25,000,000 10.414 per cent. class C secured notes due 2027;

Tap Issue Closing Date means 27 October 2000;

Tax Deed of Covenant means the deed of covenant dated on the Tap Issue Closing Date made between, *inter alios*, the Issuer, Punch Taverns plc, the Borrower, the Obligors and the Security Trustee as amended and restated on the Closing Date;

Temporary Global Notes means the Class A1(R) Temporary Global Note, the Class A2(R) Temporary Global Note, the Class A3(R) Temporary Global Note, the Class M1 Temporary Global Note, the Class M2 Temporary Global Note, the Class B1 Temporary Global Note, the Class B2 Temporary Global Note, the Class C(R) Temporary Global Note and the Class D(R) Temporary Global Note or, as the context may require, any combination of the same;

Tenant means the tenant for the time being of a Punch Taverns Mortgaged Property pursuant to a Lease Agreement;

Term A1(R) Facility means, upon the terms and subject to the conditions of the First PTF Issuer/Borrower Facility Agreement:

- (a) the combined term loan facility the Issuer has granted to the Borrower on the Initial Closing Date and the Tap Closing Date in a maximum aggregate principal amount of £270,000,000 (which (for the avoidance of doubt) prior to the Relevant Time was referred to as the "Term A4 Facility" but which following the Relevant Time is re-designated as the Term A1(R) Facility); and

- (b) further Term Facilities the Issuer shall grant to the Borrower, each in a maximum principal amount not exceeding the aggregate proceeds of any issue of Additional Class A1(R) Notes issued, at any time, by the Issuer to fund its obligations under the First PTF Issuer/Borrower Facility Agreement to grant a further Term Facility

Term A2(R) Facility means, upon the terms and subject to the conditions of the Second PTF Issuer/Borrower Facility Agreement:

- (a) the term loan facility the Issuer has on the Closing Date granted to the Borrower in a maximum aggregate principal amount of £300,000,000; and
- (b) further Term Facilities the Issuer shall grant to the Borrower, each in a maximum principal amount not exceeding the aggregate proceeds of any issue of Additional Class A2(R) Notes issued, at any time, by the Issuer to fund its obligations under the Second PTF Issuer/Borrower Facility Agreement to grant a further Term Facility;

Term A3(R) Facility means, upon the terms and subject to the conditions of the First Issuer/Borrower Facility Agreement:

- (a) the term loan facility the Issuer has granted to the Borrower on Closing Date in a maximum aggregate principal amount of £150,000,000; and
- (b) further Term Facilities the Issuer shall grant to the Borrower, each in a maximum principal amount not exceeding the aggregate proceeds of any issue of Additional Class A3(R) Notes issued, at any time, by the Issuer to fund its obligations under the First Issuer/Borrower Facility Agreement to grant a further Term Facility.

Term B1 Facility means, upon the terms and subject to the conditions of the First Issuer/Borrower Facility Agreement:

- (a) the combined term loan facility the Issuer has on the Initial Closing Date and the Tap Issue Closing Date granted to the Borrower in a maximum aggregate principal amount of £140,000,000 (which, for the avoidance of doubt, prior to the Relevant Time was referred to as the “Term B Facility” but which following the Relevant Time is re-designated the Term B1 Facility); and
- (b) further Term Facilities the Issuer shall grant to the Borrower, each in a maximum principal amount not exceeding the aggregate proceeds of any issue of Additional Class B1 Notes issued, at any time, by the Issuer to fund its obligations under of the First Issuer/Borrower Facility Agreement to grant a further Term Facility;

Term B2 Facility means, upon the terms and subject to the conditions of the Second Issuer/Borrower Facility Agreement:

- (a) the term loan facility the Issuer has on the Closing Date granted to the Borrower in a maximum aggregate principal amount of £150,000,000; and

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- (b) further Term Facilities the Issuer shall grant to the Borrower, each in a maximum principal amount not exceeding the aggregate proceeds of any issue of Additional Class B2 Notes issued, at any time, by the Issuer to fund its obligations pursuant to the Second Issuer/Borrower Facility Agreement to grant a further Term Facility

Term C(R) Facility means, upon the terms and subject to the conditions of the First Issuer/Borrower Facility Agreement:

- (a) the term loan facility the Issuer has on the Closing Date granted to the Borrower in a maximum aggregate principal amount of £215,000,000; and
- (b) the Issuer shall grant to the Borrower further Term Facilities, each in a maximum principal amount not exceeding the aggregate proceeds of any issue of Additional Class C(R) Notes issued, at any time, by the Issuer to fund its obligations under the First Issuer/Borrower Facility Agreement to grant a further Term Facility;

Term D(R) Facility means, upon the terms and subject to the conditions of the First Issuer/Borrower Facility Agreement, a term loan facility the Issuer has granted on the Tap Issue Closing Date to the Borrower in a maximum aggregate principal amount of £25,000,000 (which, for the avoidance of doubt, prior to the Relevant Time was referred to as the “Term C Facility” but which following the Relevant Time is re-designated the Term D(R) Facility);

Term Facilities means the Term A1(R) Facility, the Term A2(R) Facility, the Term A3(R) Facility, the Term M1 Facility, the Term M2 Facility, the Term B1 Facility, the Term B2 Facility, the Term C(R) Facility, the Term D(R) Facility and any New Term Facility;

Term M1 Facility means, upon the terms and subject to the conditions of the First Issuer/Borrower Facility Agreement:

- (a) the term loan facility the Issuer has on the Closing Date granted to the Borrower in a maximum aggregate principal amount of £200,000,000; and
- (b) further Term Facilities the Issuer shall grant to the Borrower, each in a maximum principal amount not exceeding the aggregate proceeds of any issue of Additional Class M1 Notes issued, at any time, by the Issuer to fund its obligations under First Issuer/Borrower Facility Agreement to grant a further Term Facility;

Term M2 Facility means, upon the terms and subject to the conditions of the First Issuer/Borrower Facility Agreement:

- (a) the term loan facility the Issuer has on the Closing Date granted to the Borrower in a maximum aggregate principal amount of £400,000,000; and
- (b) further Term Facilities the Issuer shall grant to the Borrower, each in a maximum principal amount not exceeding the aggregate proceeds of any issue of Additional Class M2 Notes issued, at any time, by the Issuer to fund its

obligations under the First Issuer/Borrower Facility Agreement to grant a further Term Facility;

Third Supplemental Punch Taverns Deed of Charge means the deed of charge dated the Closing Date between, *inter alios*, the Issuer, the Security Trustee, the Obligors, PTIHL, the Charging Companies, the Original Floor Provider, the Further Hedge Provider and the Hedge Provider;

Trust Deed means the Original Trust Deed as amended and restated on the Tap Issue Date and as supplemented by a first supplemental trust deed dated the Tap Issue Closing Date and as further supplemented and amended and restated by a second supplemental trust deed on or about the Closing Date between the Issuer, the Note Trustee and Ambac and together with any further deed supplemental thereto;

Underlying Rating means the underlying rating given or which would be given, by the Rating Agencies to the Class A2(R) Notes and the Class A3(R) Notes, disregarding the benefit of the Ambac Guarantee;

VPR means Punch Pub Company (VPR) Limited (registered in England and Wales with company number 3982447);

VPR Acquisition Agreement means the business and asset sale agreement dated the Closing Date and made between, *inter alios*, VPR and the Borrower together with all schedules and exhibits thereto and all transfers, assignments, trusts, assurances and other documents entered into or to be entered into pursuant thereto;

VPR Scottish Declarations of Trust means each declaration of trust dated the Closing Date in respect of the Scottish Properties sold pursuant to the VPR Acquisition Agreement granted by VPR or by the relevant titleholder with consent of VPR in favour of the Borrower.

SCHEDULE 1

Amount secured by the mortgage or charge

The Punch Taverns Second Priority Deed of Charge secures:

- (a) the due and punctual payment and discharge of all moneys and liabilities whatsoever which now are or at any time hereafter may (whether before or after demand) become due, owing or payable to the Security Trustee (whether for its own account or as trustee for the Punch Taverns Secured Parties) or any of the other Punch Taverns Secured Parties (and whether solely or jointly with one or more persons and whether as principal or surety) by PT SupplyCo, or any other Guarantor, actually or contingently, under or in respect of the Issuer/Borrower Facility Agreements, the Punch Taverns Second Priority Deed of Charge or any other Group Transaction Document; and
- (b) the observation, performance and satisfaction of all of PT SupplyCo's other obligations and liabilities under the Issuer/Borrower Facility Agreements and/or the Punch Taverns Second Priority Deed of Charge and/or any other Group Transaction Document to which it is party.

SCHEDULE 2

Short particulars of all the property mortgaged or charged

Pursuant to Clause 5 of the Punch Taverns Second Priority Deed of Charge, the PT SupplyCo, with full title guarantee (in relation to assets or rights situated in or governed by the laws of Scotland, with absolute warrandice):

1. by way of second fixed security for the payment or discharge of PT SupplyCo's Secured Amounts, subject to Clause 9 of the Punch Taverns Second Priority Deed of Charge, assigned by way of security and charged to the Security Trustee all of its right, title and interest in, to and under the Relevant Documents to which it is a party including all rights to receive payment of any amounts which may become payable to it thereunder and all payments received by it thereunder including, without limitation, 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 rights of action in respect of any breach thereof and all rights to receive damages or obtain relief in respect thereof, **TO HOLD** the same unto the Security Trustee absolutely;
2. by way of second fixed security for the payment or discharge of PT SupplyCo's Secured Amounts, subject to Clause 9 of the Punch Taverns Second Priority Deed of Charge, assigned by way of security and charged to the Security Trustee all its right, title and interest in and to (i) the Insurance Policies and (ii) all rights and claims to which it is or may hereafter become entitled in relation to the proceeds of such Insurance Policies, **TO HOLD** the same unto the Security Trustee absolutely;

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3. by way of second fixed security for the payment or discharge of PT SupplyCo's Secured Amounts, subject to Clause 9 of the Punch Taverns Second Priority Deed of Charge, assigned by way of security and charged by way of second fixed charge in favour of the Security Trustee all of its right, title, interest and benefit, present and future, in and to all book debts and other debts, rents and all moneys and liabilities whatsoever for the time being due, owing or payable to it (including the benefit of any judgment, order or decree to pay a sum of money) and the benefit of any Encumbrance and securities for the time being held by it in respect of any such debts or moneys and all bills of exchange, promissory notes and negotiable instruments of any description at any time owned or held by it, **TO HOLD** the same unto the Security Trustee absolutely;
4. by way of second fixed security for the payment or discharge of PT SupplyCo's Secured Amounts, subject to Clause 9 of the Punch Taverns Second Priority Deed of Charge, assigned and charged by way of second fixed charge in favour of the Security Trustee all of its right, title, interest and benefit, present and future, in and to all statutory licences, consents and authorisations held in connection with its business and the right to recover and receive all compensation which may be payable to it in respect of them, **TO HOLD** the same unto the Security Trustee absolutely;
5. by way of second fixed security for the payment or discharge of PT SupplyCo's Secured Amounts, subject to Clause 9 of the Punch Taverns Second Priority Deed of Charge, charged by way of second fixed charge in favour of the Security Trustee all of its right, title, interest and benefit, present and future, in and to all moneys now or at any time hereafter standing to the credit of any of its bank accounts together with all rights relating or attached thereto (including the right to interest), **TO HOLD** the same unto the Security Trustee absolutely; and
6. by way of second floating security for the payment or discharge of PT SupplyCo's Secured Amounts, subject to Clause 9 of the Punch Taverns Second Priority Deed of Charge, charged by way of second floating charge in favour of the Security Trustee the whole of its undertaking and all its property, assets and rights, whatsoever and wheresoever, both present and future (including all stock in trade and including all freehold, heritable and leasehold property) other than any property or assets from time to time or for the time being the subject of fixed charges pursuant to Clauses 5.1 to 5.5 of the Punch Taverns Second Priority Deed of Charge (inclusive) or otherwise effectively assigned by way of security (but declaring that the foregoing exclusion shall not extend to any part of PT SupplyCo's undertaking and assets, present and future, situated in Scotland or the rights to which are governed by the laws of Scotland, all of which undertaking and assets are charged by the floating charge hereby created).

Negative Pledge

1. Pursuant to Clause 16.2 of the Issuer/Borrower Facility Agreements, PT SupplyCo has covenanted that, unless otherwise permitted or provided for in the Relevant Documents, it shall not at any time until all of the security created under or pursuant to the Punch Taverns Deed of Charge is released and discharged:

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- (a) create or permit to subsist any Encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or use, invest, sell or otherwise dispose of any part of its assets (including any uncalled capital) or its undertaking, present or future; and
 - (b) transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein.
2. Pursuant to Clause 16.3 of the Issuer/Borrower Facility Agreements, for the benefit of each of the Punch Taverns Secured Parties, PT SupplyCo has agreed that it shall not and shall procure that each other Securitisation Group Entity shall not without the prior written consent of the Security Trustee and/or unless the Relevant Documents otherwise permit:
- (a) create (or agree to create) or permit to subsist any Encumbrance over all or any of its present or future revenues or assets or undertaking other than a Permitted Encumbrance;
 - (b) make or permit any disposal other than a Permitted Disposal in accordance with the First PTF Issue/Borrower Facility Agreement of:
 - (i) fixed tangible assets not being a Punch Taverns Mortgaged Property by a Securitisation Group Entity if the value of the aggregate net consideration received by such Securitisation Group Entity in respect of such disposal and all other such disposals by the Securitisation Group over the immediately preceding twelve month period would exceed £500,000; and
 - (ii) any single asset not being a Punch Taverns Mortgaged Property, a fixed tangible asset or a cash generating asset where the proceeds of such sale would exceed £250,000;
- save for:
- (A) any disposal of any worn out excess to requirements or obsolete assets provided that such are not required for the efficient operation of its business;
 - (B) any disposal of stock in trade or fixtures and fittings by a Securitisation Group Entity in its ordinary course of trade,
- provided further that any disposal permitted pursuant to Clause 16.3(f) of the First PTF Issuer/Borrower Facility Agreement shall be on arms' length terms;
- (c) make any Relevant Change to any Lease Agreement other than a Relevant Change which would be acceptable to a reasonably prudent owner/operator of public houses and hospitality management services; or amend, vary, supplement or terminate (save for any termination in connection with a Permitted Disposal) in any material way any other terms of the Lease Agreements (excluding a Relevant Change) other than such amendments, variations, supplements or terminations which would be acceptable to a

reasonably prudent buyer/seller and owner/operator of public houses and hospitality management services or which would not have a Material Adverse Effect; and

- (d) waive or vary the terms of any of the documents relating to or affecting its freehold, heritable or leasehold property (save for such actions which would be acceptable to a reasonably prudent owner/operator of public houses and hospitality management services and which would not materially prejudice the interests of the Punch Taverns Secured Parties) or effect a transfer of a Punch Taverns Mortgaged Property from the Borrower, to any Securitisation Group Entity or other person or entity except as part of a Permitted Disposal.

SCHEDULE 3

Part 1 The Guarantors

Company	Registered Number
Punch Retail (Funding Holdings) Limited	3982429
Punch Retail (Managed Holdings) Limited	1676516
Punch Retail Limited	50484
Punch Taverns (Trent) Limited	03601324
Punch Taverns (BS) Company Limited	03499143
Punch Taverns Holdings Limited	03499144
Punch Taverns Properties Limited	03528601
Punch Pub Company (VPR) Limited	03982447

Part 2 The Charging Companies

Alloa Brewery Company Limited	SCO02871
Alloa Pubs and Restaurants Limited	SCO41535
Ansells Ind Coope (South Wales) Limited	00046099
Ansells Properties Limited	00070490
Archibald Arrol & Sons Limited	SCO15478
Ardeer Tavern (unlimited company)	SCO31438

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Aylesbury Brewery Company Limited	00046374
B.W. B Limited	00055803
Cavalier Restaurants Limited	00405980
Chas. Rose & Co. Limited	00235418
Friary Meux Limited	00219876
Graham's Golden Lager Limited	SCO27803
Guildford Holdings Limited	00570695
I.C.E.A. Limited	00092710
Ind Coope (E.M.) Limited	00032894
Ind Coope (London) Limited	00043104
Ind Coope (West Midlands) Limited	00028599
JT & S (Allied) Limited	00053443
L&P 34 Limited	04009334
M. Milne Limited	SCO86660
Punch Pub Company (CMG) Limited	02639687
Punch Pub Company (Fradley) Limited	03946310
Punch Pub Company (Red) Limited	04257062
Punch Retail (Holdings) Limited	00124723
Tetley Walker Production Limited	00031254
Thorne Brothers Limited	00055433
Walker Cain Limited	00176978
White Rose Inns Limited	02668228
William Jackson (Sunderland) Limited	00138355

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY No. 03499143

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A PUNCH TAVERNS SECOND PRIORITY DEED OF CHARGE DATED THE 3rd NOVEMBER 2003 AND CREATED BY PUNCH TAVERNS (BS) COMPANY LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY OR ANY OTHER GUARANTOR TO DEUTSCHE TRUSTEE COMPANY LIMITED (THE SECURITY TRUSTEE) OR ANY OF THE OTHER PUNCH TAVERNS SECURED PARTIES UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 20th NOVEMBER 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 25th NOVEMBER 2003.

A handwritten signature in black ink, appearing to be 'D. W.' or similar, located in the lower middle section of the page.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House
— for the record —