

M

COMPANIES FORM No. 395

A/C 00400150

Particulars of a mortgage or charge

395

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

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

Name of company

* Punch Retail (Funding Holdings) Limited (the "Company")

Date of creation of the charge

15th May, 2003

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

Third Supplemental Deed of Charge (the "Charge")

Amount secured by the mortgage or charge

See continuation sheet

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

Deutsche Trustee Company Limited
Winchester House, 1 Great Winchester Street, London

Postcode EC2N 2DB

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

Slaughter and May (Ref:MSXH/GO/LMR)
One Bunhill Row
London
EC1Y 8YY

**PLEASE RETURN VIA
CH LONDON COUNTER**

Time critical reference

For official Use
Mortgage Section

Post room



See continuation sheet

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

Signed

Slaughter and May

Date

30th May, 2003

On behalf of [company] ~~(mortgagee/chargee)~~

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

† 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 CF14 3UZ

Continuation Sheet for
Punch Retail (Funding Holdings) Limited (No. 3982429)

Amount secured by the mortgage or charge

- (a) All moneys and liabilities whatsoever which now are or at any time hereafter may (whether before or after demand) become due, owing or payable by the Company to the Security Trustee (whether for its own account or as trustee for the PR Secured Parties) or any of the other PR Secured Parties (and whether solely or jointly with one or more persons and whether as principal or surety) actually or contingently, under or in respect of the Issuer/Borrower Facility Agreement, the Hive Down Indemnities, the PR Deed of Charge, the Charge and/or any other Transaction Document to which it is a party; and
- (b) all claims, demands and damages for failure to pay the moneys and liabilities referred to in paragraph (a) above and failure to observe, perform and satisfy all of the Company's other obligations and liabilities under the Issuer/Borrower Facility Agreement, the PR Deed of Charge, the Charge and each other Transaction Document to which it is a party.

Short particulars of all the property mortgaged or charged

- (a) An equitable mortgage, by way of first fixed security in favour of the Security Trustee on trust for itself and the other PR Secured Parties all of its right, title, interest and benefit, present and future, in, to and under the VPR Share and all dividends, and interest paid or payable in relation thereto and all shares, securities, rights, money or property accruing or offered and at any time in relation to such VPR Share or other securities by way of redemption, substitution, exchange, bonus or preference in respect of or incidental or ancillary thereto.
- (b) An assignment, by way of first fixed security in favour of the Security Trustee on trust for itself and the other PR Secured Parties all of its right, title, benefit and interest, present and future in, to and under the PR(AF)L Subordinated Loan and the Framework Agreement, 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.
- (c) A charge, by way of first fixed security in favour of the Security Trustee on trust for itself and the other PR Secured Parties all of its right, title, interest and benefit, present and future, in and to all book debts and other debts and all moneys and liabilities whatsoever for the time being due, owing or payable under the PR(AF)L Subordinated Loan and the Framework Agreement and the benefit of any Encumbrance and securities for the time being held by the relevant Security Provider 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 the relevant Security Provider.

It is agreed that references in the PR Deed of Charge to "PR Charged Property" are construed to include the New PR Charged Property.

Each of the dispositions of or charges over property effected in or pursuant to the Charge is made with full title guarantee.

Clauses 6, 7 and 11 of the PR Deed of Charge and, to the extent that they relate to any New PR Charged Property, all the other acknowledgements, representations, warranties, undertakings and covenants set out in the PR Deed of Charge and the Issuer/Borrower Facility Agreement are deemed to be incorporated into the Charge as if they were repeated in it and shall apply mutatis mutandis to the New PR Charged Property.

Capitalised terms used in this Form 395 have the following meanings:

AA Reports means the reports prepared by Arthur Andersen and listed in Part B of Schedule 4 of each of the Subscription Agreements;

A2 Account Date has the meaning given to it in clause 16.21 of the Issuer/Borrower Facility Agreement;

A2 Sinking Fund Account means the account of Punch Pub Company (VPR) Limited maintained with the A2 Sinking Fund Account Bank or such other account approved by the Security Trustee, from time to time, and in respect of which Punch Pub Company (VPR) Limited will grant a first fixed charge over the said account in favour of the Security Trustee in a form acceptable to the Security Trustee;

A2 Sinking Fund Account Bank any bank which is a bank for the purposes of section 349 of the Income and Corporation Taxes Act 1988 and has the Requisite Rating which the Security Trustee may approve;

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 have been approved by the Accounting Standards Board, 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;

Account Obligors means the Borrower and PRL and **Account Obligor** shall mean any one of them;

Accounting Reference Period means, in relation to any Obligor, the Financial Year or other period in respect of which the audited accounts of such Obligor are required by law to be drawn up;

Acquisition Portfolio means in relation to an acquisition of a Permitted Business, the Pub or Pubs to be acquired at that time pursuant to the acquisition;

Additional Amortisation Amounts means any prepayments pursuant to clause 8.3 of the Issuer/Borrower Facility Agreement;

Additional Event means each of the events described in clause 17.1(j), (k), (l), (m), (n), (o), (p), (q), (r), (s) or (t) of the Issuer/Borrower Facility Agreement;

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

Adjusted EBITDA means for any relevant period or Financial Quarter, EBITDA for that relevant period or Financial Quarter (as the case may be) after adjusting to exclude items referred to in (a) to (d) below:

- (a) fair value adjustments and other non-cash provisions;
- (b) any losses or gains arising from a sale of any PR Mortgaged Property;
- (c) save for certain items, items treated as extraordinary or non-operating exceptional income/charges under accounting principles generally accepted in the UK; and
- (d) any amount attributable to the writing up or writing down of any assets of any Security Group Entity after the Closing Date, or, in the case of a company becoming a subsidiary after the Closing Date, after the date of it becoming a subsidiary;

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

Agency Agreement means the agreement dated on or about the Closing Date and made between the Issuer, the Principal Paying Agent, the Luxembourg Paying Agent, the Agent Bank, the Note Trustee and the Security Trustee;

Agent Bank means Citibank, N.A. 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;

Agreed Basis refers to the calculation of a ratio or an amount made at the end of the most recently completed Financial Quarter on the following basis:

- (a) in respect of the Financial Quarter ending 17 August 2002, the ratio or amount in respect of that Financial Quarter compiled in accordance with clause 15.2 or 15.3 Issuer/Borrower Facility Agreement as appropriate;
- (b) in respect of the Financial Quarter ending on the Financial Quarter Date falling in 9 November 2002, the ratio or amount in respect of that Financial Quarter and the preceding Financial Quarter, each compiled in accordance with clause 15.2 or 15.3 of the Issuer/Borrower Facility Agreement as appropriate;
- (c) in respect of the calculation of a ratio on a rolling four Financial Quarter basis and the Financial Quarter ending on the Financial Quarter Date falling in 1 February 2003, the ratio or amount in respect of that Financial Quarter and the preceding one and/or two Financial Quarters (as the case may be), each compiled in accordance with clause 15.2 or 15.3 of the Issuer/Borrower Facility Agreement as appropriate; and
- (d) in respect of the calculation of a ratio on a rolling four Financial Quarter basis and the Financial Quarter ending on the Financial Quarter Date falling in 24 May 2003 and for each Financial Quarter thereafter, the ratio or amount in respect of that Financial Quarter and the preceding one and three Financial Quarters (as the case may be), each compiled in accordance with Clause 15.2 or 15.3 as appropriate;

Allied Domecq Acquisition means the acquisition by Punch Retail (Acquisition Company) Limited of the entire issued share capital of Punch Retail (Acquisition Jersey) Limited which completed on 5 October 1999;

Allied Domecq Acquisition Documentation means all documentation entered into by members of the Punch Retail Group in connection with the Allied Domecq Acquisition;

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 Transaction 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;

Ambac Event of Default means:

- (a) any Insured Amount which is Due for Payment is not paid by Ambac on the date stipulated in the Ambac Policy;
- (b) Ambac disclaims, disaffirms, repudiates and/or challenges the validity of any of its obligations under the Ambac Policy 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 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 Policy means the original financial guarantee insurance policy and endorsement thereto in respect of the Class A Notes pursuant to which Ambac has guaranteed payments of Relevant Interest and Scheduled Principal;

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

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 22 April 2002;

Ancillary Advance means an advance made pursuant to clause 2.10 of the Issuer/Borrower Facility Agreement;

Ancillary Property Rights means the rights of the Borrower charged pursuant to clause 3.5 of the PR Deed of Charge;

Annualised Contribution of a Pub means:

- (a) in respect of a Pub that has been trading for at least 13 4-week financial periods after the expenditure on it of CapEx Amounts, the Annualised Contribution of the Pub means the unaudited Contribution of the Pub for the most recent 13 4-week financial periods of trading ending on the relevant Financial Quarter Date for testing the Weighted Average Return; and
- (b) in respect of a Pub that has been trading for less than 13 4-week financial periods following the expenditure on it of CapEx Amounts, the Annualised Contribution of the Pub shall be calculated as follows:

$$\frac{D}{E}$$

where:

D is the unaudited Contribution for the Pub for the number of complete 4-week financial periods of trading following the expenditure on it of CapEx Amounts, **N**, and where N must equal at least 3 (provided that where N is less than 3 the relevant Pub shall not be included in the calculation of the Weighted Average Return);

and

E is the percentage of the total unaudited Contribution during the previous Financial Year of all the Pubs in the Estate (excluding any Pubs acquired or disposed of in the previous Financial Year), represented by the total unaudited Contribution of all the Pubs in the Estate during the financial period comprising N;

Anticipated Amount means in respect of each Pub in the Acquisition Portfolio:

A/B

where:

A is the Pub Contribution of the relevant Pub having added:

- (i) a reasonable estimate (determined by the Borrower) of synergies available to the Securitisation Group relating solely to the supply of Beer; and
- (ii) an amount determined by the Borrower on the basis of advice or a valuation prepared by an appropriately qualified reputable third party property or other adviser as being a reasonable estimate of synergies available to the Punch Group as a whole arising directly as a result of the acquisition of the relevant Acquisition Portfolio (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),

divided by the number of Pubs in the Acquisition Portfolio; and

B is 0.125;

Applicable A1 Margin means, for each Interest Period, the Relevant Margin applicable to the Class A1 Notes as set out in Condition 4(e)(i);

Applicable M Margin means, for each Interest Period, the Relevant Margin applicable to the Class M Notes as set out in Condition 4(e)(ii);

Applicable N1 Margin means, for each Interest Period, the Relevant Margin applicable to the Class N1 Notes as set out in Condition 4(e)(iii);

Applicable O Margin means, for each Interest Period, the Relevant Margin applicable to the Class O Notes as set out in Condition 4(e)(iv);

Auditors means Ernst & Young LLP or such other firm of auditors of international repute and standing approved by the Security Trustee;

Auditors' Reports means the reports prepared in respect of ManCo, Lease Co, the Issuer and the Parent dated on or about 28 June 2000;

Authorised Signatory means in relation to any Obligor and any communication to be made, or any document to be executed or certified by it means, at any time, any person:

- (a) who is duly authorised at such time, in such manner as may be reasonably acceptable to the Security Trustee, to make such communication, or to execute or certify such document on its behalf; and
- (b) in respect of whom the Security Trustee has received a certificate signed by a director or any other authorised officer of it, or by another of its Authorised Signatories, setting out the name and, where such person is authorised to execute or certify documents, the signature of such person and confirming such person's authority to act as aforesaid;

AWP Machine Agreements means:

- (a) an agreement dated 5 July 1996 (as subsequently amended by side letter dated 27 May 1997) between Ind Coope (Oxford and West) Limited (now called Punch Retail Limited) and Kunick Leisure Limited; and
- (b) an agreement dated 9 August 1996 between Ind Coope (Oxford and West) Limited (which is now called Punch Retail Limited) and Associated Leisure Limited;

Bank Agreement means the agreement dated on or about the Closing Date and made between, inter alia, the Borrower, PRL, the Issuer, the Servicer, the Security Trustee, the Note Trustee and the Account Bank, as amended and restated with effect from the Relevant Time pursuant to the Master Amendment Deed;

Basic Terms Modification shall be a modification referred to in paragraph 6(b) of Schedule 7 to the Trust Deed;

Barrelage means in respect of any period, in relation to a Pub, the number of barrels of Beer purchased by the tenant of such Pub;

Beer means any fermented alcoholic drink (other than a low-alcohol drink) made from hops and malt and which, without limitation, includes ale, porter, stout, lager and any other description of beer;

Book Debts means the debts owing to the Borrower charged pursuant to clause 4.5 of the PR Deed of Charge and/or to the Obligors charged pursuant to clause 4.5 of the PR Deed of Charge or clause 4.5 of the PRL Deed of Charge;

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

Borrower Accounts means:

- (a) the Fixed Accounts in the name of the Borrower;
- (b) the Operating Account; and
- (c) the Collection Account;

Borrower Available Funds means on any Loan Interest Payment Date the funds available to the Borrower to make payments of items specified in clause 8.1(a) to (x) of the PR Deed of Charge;

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 clauses 3 and 4 of the PR Deed of Charge;

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;

Business Transfer Agreement means the LeaseCo Business Transfer Agreement and the CMSCo Business Transfer Agreement and **Business Transfer Agreement** shall mean either of them;

Calculation Date means the date falling five Business Days before each Interest Payment Date;

CapEx means capital expenditure in the repair, renewal and maintenance of the internal and external fabric of the PR Mortgaged Properties and their fixtures and fittings (excluding for the avoidance of doubt exceptional items) and/or any enhancements to or improvements in value of any PR Mortgaged Properties;

CapEx Amount means any amount of money spent on CapEx;

Carlsberg-Tetley means Carlsberg Tetley Brewing Limited;

Cash Collateralisation Payment Date shall have the meaning given to it in clause 17.2 of the Issuer/Borrower Facility Agreement;

Certificates of Title means:

- (a) in relation to the certificates to be delivered by the Borrower on the Closing Date pursuant to clause 4 of the Issuer/Borrower Facility Agreement, the certificates of title prepared by Messrs Ford & Warren, Knight & Sons, Bevan Ashford and Campbell Smith each dated 28 June, 2000 in relation to the Property Due Diligence Sample; and
- (b) in relation to a certificate to be delivered by the Borrower on the acquisition of any land, acquired, leased or licensed by the Borrower for the purpose of developing or creating a Permitted Business, the certificate of title prepared by an independent firm of solicitors acceptable to the Issuer and the Security Trustee and which will in each case be in form and content satisfactory to the Security Trustee,

and **Certificate of Title** shall be construed accordingly;

Certified Copy means, in relation to any document relating to a member of the Securitisation Group, or to which a member of the Securitisation Group is party, a copy of such document bearing the endorsement "Certified a true, complete and accurate copy of the original, which has not been amended, otherwise than by a document, a Certified Copy of which is attached

hereto" signed and dated by a director or the company secretary of the company in question, and **Certified Copies** shall be construed accordingly;

Charging Companies means each of the companies listed in Part 2 of Schedule 1 to the PR Deed of Charge;

Claims means the book and other debts and monetary claims referred to in clauses 3 or 4 of the PR Deed of Charge clauses 3 and 4 of the PRL Deed of Charge and clause 3 of the New PGEL Deed of Charge, as the context so requires;

Class A Notes means the Class A1 Notes and the Class A2 Notes;

Class A Noteholders means the Class A1 Noteholders and the Class A2 Noteholders;

Class A Subscription Agreement or Class A Note Subscription Agreement means the agreement dated 28 June 2000 between the Issuer, each Original Obligor, Ambac and the Managers (as the same may be amended and/or supplemented from time to time) relating to the purchase and issue of the Original Class A1 Notes and the Original Class A2 Notes;

Class A1 Couponholder means the several persons who are for the time being the holders of the Class A1 Coupons;

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

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

Class A1 Noteholders means the several persons who are for the time being holders of the Class A1 Notes (being, if and to the extent that the Class A1 Notes are represented by the Definitive Class A1 Notes, the bearers thereof and, if and to the extent that the Class A1 Notes are represented by the Class A1 Global Note, the persons for the time being shown in the records of Euroclear and Clearstream Banking (other than Clearstream Banking, if Clearstream Banking shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream Banking) as being holders of the Class A1 Notes) in which regard any certificate or other document issued by Clearstream Banking or Euroclear as to the Principal Amount Outstanding of Class A1 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 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 Notes shall (where appropriate) be construed accordingly;

Class A1 Notes means any of the Original Class A1 Notes and/or further Class A1 Notes, as the case may be, and references to the Class A1 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

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

Class A1 Step-Up Amounts means that proportion of the interest on the Class A1 Notes calculated by applying the Class A1 Step-Up Margin to the Principal Amount Outstanding on the Class A1 Notes;

Class A1 Step-Up Margin shall bear the meaning ascribed thereto in Condition 4(e);

Class A1 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 Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Class A2 Couponholder means the several persons who are for the time being the holders of the Class A2 Coupons;

Class A2 Coupons means in respect of the Class A2 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 A2 Notes and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 13;

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

Class A2 Noteholders means the several persons who are for the time being holders of the Class A2 Notes (being, if and to the extent that the Class A2 Notes are represented by the Definitive Class A2 Notes, the bearers thereof and, if and to the extent that the Class A2 Notes are represented by the Class A2 Global Notes, the persons for the time being shown in the records of Euroclear and Clearstream Banking (other than Clearstream Banking, if Clearstream Banking shall be an account holder of Euroclear and other than Euroclear, if Euroclear shall be an account holder of Clearstream Banking) as being holders of the Class A2 Notes) in which regard any certificate or other document issued by Clearstream Banking or Euroclear as to the Principal Amount Outstanding of Class A2 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 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 Notes shall (where appropriate) be construed accordingly;

Class A2 Notes means any of the Original Class A2 Notes and/or further Class A2 Notes, as the case may be, and references to the Class A2 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

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

Class A2 Scheduled Amortisation Amount shall bear the meaning ascribed thereto in Condition 5(c);

Class A2 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 Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Class M Couponholder means the several persons who are for the time being the holders of the Class M Coupons;

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

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

Class M Noteholders means the several persons who are for the time being holders of the Class M Notes (being, if and to the extent that the Class M Notes are represented by the Definitive Class M Notes, the bearers thereof and, if and to the extent that the Class M Notes are represented by the Class M Global Notes, the persons for the time being shown in the records of Euroclear and Clearstream Banking (other than Clearstream Banking if Clearstream Banking shall be an account holder of Euroclear and other than Euroclear if Euroclear shall be an account holder of Clearstream Banking) as being holders of the Class M Notes) in which regard any certificate or other document issued by Clearstream Banking or Euroclear as to the Principal Amount Outstanding of Class M 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 M 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 M Notes shall (where appropriate) be construed accordingly;

Class M Notes means the Original Class M Notes and the further Class M Notes or, as the context may require, any combination of the same and references to the Class M Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class M 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 M Notes, substantially in the form of Part B to the Schedule 1 to the Trust Deed;

Class M Step-Up Amounts means that proportion of the interest on the Class M Notes calculated by applying the Class M Step-Up Margin to the Principal Amount Outstanding on the Class M Notes;

Class M Step-Up Margin shall bear the meaning ascribed thereto in Condition 4(e);

Class M Subscription Agreement or Class M Note Subscription Agreement means the agreement dated 28 June 2000 between the Issuer, each Original Obligor, Ambac and the Managers (as the same may be amended and/or supplemented from time to time) relating to the purchase and issue of the Original Class M Notes;

Class M 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 M Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Class N Notes means the Class N1 Notes and the Class N2 Notes;

Class N Noteholders means the Class N1 Noteholders and the Class N2 Noteholders;

Class N Subscription Agreement or Class N Note Subscription Agreement means the agreement dated 28 June 2000 between the Issuer, each Original Obligor, Ambac and the

Managers (as the same may be amended and/or supplemented from time to time) relating to the purchase and issue of the Original Class N1 Notes and the Original Class N2 Notes;

Class N1 Couponholder means the several persons who are for the time being the holders of the Class N1 Coupons;

Class N1 Coupons means in respect of the Class N1 Notes, the bearer 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 N1 Notes and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 13;

Class N1 Global Notes means, as the context requires, the Class N1 Temporary Global Note and/or the Class N1 Permanent Global Note;

Class N1 Noteholders means the several persons who are for the time being holders of the Class N1 Notes (being, if and to the extent that the Class N1 Notes are represented by the Definitive Class N1 Notes, the bearers thereof and, if and to the extent that the Class N1 Notes are represented by the Class N1 Global Notes, the persons for the time being shown in the records of Euroclear Clearstream Banking (other than Clearstream Banking if Clearstream Banking shall be an account holder of Euroclear and other than Euroclear if Euroclear shall be an account holder of Clearstream Banking) as being holders of the Class N1 Notes) in which regard any certificate or other document issued by Clearstream Banking or Euroclear as to the Principal Amount Outstanding of Class N1 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 N1 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 N1 Notes shall (where appropriate) be construed accordingly;

Class N1 Notes means the Original Class N1 Notes and the further Class N1 Notes or, as the context may require, any combination of the same and references to the Class N1 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class N1 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 N1 Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Class N1 Step-Up Amounts means that proportion of the interest on the Class N1 Notes calculated by applying the Class N1 Step-Up Margin to the Principal Amount Outstanding on the Class N1 Notes;

Class N1 Step-Up Margin shall bear the meaning ascribed thereto in Condition 4(e);

Class N1 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 N1 Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Class N2 Couponholder means the several persons who are for the time being the holders of the Class N2 Coupons;

Class N2 Coupons means in respect of the Class N2 Notes, the bearer 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 N2 Notes and includes, where applicable, the Talon(s)

appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 13;

Class N2 Global Notes means, as the context requires, the Class N2 Temporary Global Note and/or the Class N2 Permanent Global Note;

Class N2 Noteholders means the several persons who are for the time being holders of the Class N2 Notes (being, if and to the extent that the Class N2 Notes are represented by the Definitive Class N2 Notes, the bearers thereof and, if and to the extent that the Class N2 Notes are represented by the Class N2 Global Notes, the persons for the time being shown in the records of Euroclear Clearstream Banking (other than Clearstream Banking if Clearstream Banking shall be an account holder of Euroclear and other than Euroclear if Euroclear shall be an account holder of Clearstream Banking) as being holders of the Class N2 Notes) in which regard any certificate or other document issued by Clearstream Banking or Euroclear as to the Principal Amount Outstanding of Class N2 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 N2 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 N2 Notes shall (where appropriate) be construed accordingly;

Class N2 Notes means the Original Class N2 Notes and the further Class N2 Notes or, as the context may require, any combination of the same and references to the Class N2 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class N2 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 N2 Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Class N2 Scheduled Amortisation Amount shall bear the meaning ascribed thereto in Condition 5(c);

Class N2 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 N2 Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Class O Couponholder means the several persons who are for the time being the holders of the Class O Coupons;

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

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

Class O Noteholders means the several persons who are for the time being holders of the Class O Notes (being, if and to the extent that the Class O Notes are represented by the Definitive Class O Notes, the bearers thereof and, if and to the extent that the Class O Notes are represented by the Class O Global Notes, the persons for the time being shown in the records of Euroclear, Clearstream Banking (other than Clearstream Banking if Clearstream Banking shall be an account holder of Euroclear and other than Euroclear if Euroclear shall be

an account holder of Clearstream Banking) as being holders of the Class O Notes) in which regard any certificate or other document issued by Clearstream Banking or Euroclear as to the Principal Amount Outstanding of Class O 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 O 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 O Notes shall (where appropriate) be construed accordingly;

Class O Notes means the Original Class O Notes and the further Class O Notes or, as the context may require, any combination of the same and references to the Class O Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Class O 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 O Notes, substantially in the form of Part B of Schedule 1 to the Trust Deed;

Class O Step-Up Amounts means that proportion of the interest on the Class O Notes calculated by applying the Class O Step-Up Margin to the Principal Amount Outstanding on the Class O Notes;

Class O Step-Up Margin shall bear the meaning ascribed thereto in Condition 4(e);

Class O Subscription Agreement or Class O Note Subscription Agreement means the agreement dated 28 June 2000 between the Issuer, each Original Obligor, Ambac and the Managers (as the same may be amended and/or supplemented from time to time) relating to the purchase and issue of the Original Class O Notes;

Class O 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 O Notes, substantially in the form of Part A of Schedule 1 to the Trust Deed;

Clearstream Banking means Clearstream Banking, société anonyme;

Closing Date means the date of the closing of the issue of the Original Notes;

CMSCo means Punch Retail (CMS) Limited registered in England and Wales with registered number 3982445;

CMSCO Business Transfer Agreement means the agreement dated 26 June 2000 between PRL and CMSCO relating to the transfer of the CMS business;

Collateral Account means the account with Barclays Bank plc in the name of Barclays Bank Plc - Punch Taverns (Acquisition Company) Plc for the purpose of providing cash collections security for the Loan Notes;

Collection Account means the account of Punch Pub Company (VPR) Limited maintained with the Account Bank (account number 90085286, 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 Supplemental PR Deed of Charge;

Colony means Colony Investors III, L.P. a Delaware Limited Partnership;

Commencement Date means the date of commencement of the third stage of EMU or on which circumstances arise which (in the opinion of the Borrower) have substantially the same

effect and result in substantially the same consequences as commencement of the third stage of EMU as contemplated by the Treaty on European Union;

Common Depositary means Citibank, N.A.;

Competition Authority means any court, government, governmental competition, antitrust, supervisory, regulatory or trade body or authority, whether regional, national or supranational, acting in exercise of its jurisdiction to enforce Competition Law, in each case in any jurisdiction;

Competition Law means any law, decision, order, regulation, code, practice, rule, investigation or judgment in any relevant jurisdiction relating to competition or antitrust matters;

Completion means the completion of the Master Amendment Deed;

Conditions means, in relation to the Original Notes, the terms and conditions applicable to the Original Notes in the form set out in the Second Schedule to the Trust Deed and, in relation to any further notes, the terms and conditions applicable thereto in the form set out or referred to in the supplemental deed relating thereto, as any of 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 Transaction Document to a particular numbered Condition shall be construed accordingly; reference to any particular numbered Condition shall be construed, in relation to any further notes, as a reference to the provision (if any) in the Conditions thereof which corresponds to that particular Condition as applicable to the Original Notes;

Consent Letter means the letter dated 27 March 2002 issued by the Security Trustee to the Issuer, the Borrower and various other Punch Entities;

Contribution means, in respect of a Pub during any period, the sum of average beer discount, rent and AWP income received (or estimated to have been received) by the Borrower (or the relevant owner) from the relevant Pub during the relevant period;

Controlled Cash Account means the account of Punch Pub Company (VPR) Limited maintained with the Account Bank (account number 40074489, 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 PR Deed of Charge;

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

Conversion shall bear the meaning ascribed thereto in clause 16.9 of the Issuer/Borrower Facility Agreement;

Corporate Services Agreement means the corporate services agreement dated on or about the Closing Date made between the Issuer, the Parent, ManCo Holdings, Punch Group (Supply) Limited, the Security Trustee and SPV Management Limited, as amended with effect from the Relevant Time pursuant to the Master Amendment Deed;

Corporation Tax means corporation tax chargeable in accordance with the provisions of the Income and Corporation Taxes Act 1988, as supplemented by Finance Acts;

Couponholders means the several persons who are for the time being the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons;

Coupons means the Class A1 Coupons, the Class A2 Coupons, the Class M Coupons, the Class N1 Coupons, the Class N2 Coupons, the Class O 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;

Cover Ratio Covenant means the Covenant contained in Clause 15.1(a) of the Issuer/Borrower Facility Agreement;

Dangerous Substance means any radioactive emissions and any solid, liquid or gaseous matter which is dangerous or toxic to living things or which damages the Environment;

Debentures means the PR FundCo Guarantee and Debenture and the HoldCo Covenant and Debenture;

Debt Service means, in respect of any relevant period or Financial Quarter the aggregate of all Interest Charges and principal repayments which fall due, or which have fallen due, to be paid by the Securitisation Group entities (other than the Issuer) (whether or not paid but which, for the avoidance of doubt, shall not include amounts prepaid in respect of the Term Facilities pursuant to clause 9.1 of the Issuer/Borrower Facility Agreement) during the relevant period or Financial Quarter (as the case may be) pursuant to the Issuer/Borrower Facility Agreement and/or the PR Deed of Charge;

Debt Service Cover Ratio means the ratio of Adjusted EBITDA to Debt Service;

Deed of Delegation means the deed of delegation dated on or about the Closing Date between, inter alia, the Security Trustee, the Delegate, the Borrower, PRL, the Issuer and the Sub-Delegate;

Deed of Escrow means the deed so titled and dated on or about the Separation Date and made between inter alia, the Borrower, the Issuer, the Escrow Account Bank, the Security Trustee and the Note Trustee;

Definitive Class A1 Notes means the bearer notes in definitive form which may be issued in respect of the Class A1 Notes pursuant to, and in the circumstances specified in, clause 3 of the Trust Deed and includes any replacements for Definitive Class A1 Notes issued pursuant to Condition 13 and are issued substantially in the form described in the Trust Deed and as set out in Part C of Schedule 1 to the Trust Deed;

Definitive Class A2 Notes means the bearer notes in definitive form which may be issued in respect of the Class A2 Notes pursuant to, and in the circumstances specified in, clause 3 to the Trust Deed and includes any replacements for Definitive Class A2 Notes issued pursuant to Condition 13 and are issued substantially in the form described in the Trust Deed and as set out in Part C of Schedule 1 to the Trust Deed;

Definitive Class M Notes means the bearer notes in definitive form which may be issued in respect of the Class M Notes pursuant to, and in the circumstances specified in, clause 3 of the Trust Deed and includes any replacements for Definitive Class M Notes issued pursuant to Condition 13 and are issued substantially in the form described in the Trust Deed and as set out in Part C of Schedule 1 to the Trust Deed;

Definitive Class N1 Notes means the bearer notes in definitive form which may be issued in respect of the Class N1 Notes pursuant to, and in the circumstances specified in, clause 3 of the Trust Deed and includes any replacements for Definitive Class N1 Notes issued pursuant to Condition 13 and are issued substantially in the form described in the Trust Deed and as set out in Part C of Schedule 1 to the Trust Deed;

Definitive Class N2 Notes means the bearer notes in definitive form which may be issued in respect of the Class N2 Notes pursuant to, and in the circumstances specified in, clause 3 of the Trust Deed and includes any replacements for Definitive Class N2 Notes issued pursuant to Condition 13 and are issued substantially in the form described in the Trust Deed and as set out in Part C of Schedule 1 to the Trust Deed;

Definitive Class O Notes means the bearer notes in definitive form which may be issued in respect of the Class O Notes pursuant to, and in the circumstances specified in, clause 3 of the Trust Deed and includes any replacements for Definitive Class O Notes issued pursuant to Condition 13 and are issued substantially in the form described in the Trust Deed and as set out in Part C of Schedule 1 to the Trust Deed;

Definitive Notes means the Definitive Class A1 Notes, the Definitive Class A2 Notes, the Definitive Class M Notes, the Definitive Class N1 Notes, the Definitive Class N2 Notes and the Definitive Class O Notes or, as the context may require, any combination of the same;

Delegate means Punch Group Limited;

Deposit Account means the account of the Borrower (account number 107 314187) 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 under the PR Deed of Charge;

Designated New Subsidiary means a New Subsidiary which the Borrower has, in accordance with clause 16.6 of the Issuer/Borrower Facility Agreement, designated as being an "Obligor";

Designated New Subsidiary Charged Property means, from and including the date on which the New Subsidiary accedes to the Issuer/Borrower Facility Agreement and grants security pursuant to a deed supplemental to the PR Deed of Charge, subject to any contrary indication, the undertaking and assets of the Designated New Subsidiary from time to time charged in favour of, or assigned (whether at law or equity) to, the Security Trustee by or pursuant to the PR Deed of Charge and the supplemental deed entered into in connection therewith;

Designated New Subsidiary Secured Amounts means the moneys and liabilities which the Designated New Subsidiary covenants and undertakes in the relevant deed supplemental to the PR Deed of Charge to pay or discharge and all claims, demands and damages for breach of any such covenant and undertaking, as the context may require;

Disposal Proceeds Account means the account of Punch Pub Company (VPR) Limited maintained with the Account Bank (account number 60008524, 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 PR Deed of Charge;

Dividends means those cash amounts which are from time to time paid by the Borrower to the Parent by way of dividend out of retained earnings;

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

Drawdown Date means, in relation to any Advance, the proposed date for the making of such Advance and which is specified in the relevant Notice of Drawdown relating to that Advance;

Drawdown Notice shall mean a notice in the form set out in the Third Schedule to the Issuer/Borrower Facility Agreement;

Due for Payment means, in relation to any Insured Amount that the relevant due date for payment of such Insured 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 Insured Amount may become due in respect of the original Class A Notes by reason of prepayment, acceleration of maturity or otherwise);

EBITDA means, for any relevant period or Financial Quarter, the consolidated earnings of the Securitisation Group for the relevant period or Financial Quarter (as the case may be) before the deduction of:

- (a) taxation;
- (b) any Interest Charges;
- (c) any amount attributable to amortisation of goodwill or other intangible assets and any deduction for depreciation; or
- (d) the amortisation or the writing off of costs associated with the Allied Domecq Acquisition (including the entering into of the Hedging Agreement relating to the Hedges) and/or (if applicable) with any Equity Offering (as defined below) and the financing costs associated therewith;

EDS Agreement means the agreement dated 31 January 2002 between the Borrower and Electronic Data Systems Limited for the provision of information technology services to the Borrower;

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 Interest Payment Date or Loan Interest Payment Date (as the case may be) and 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
- (ii) interest thereon is payable without withholding or deduction for or on account of tax;

EMU means Economic and Monetary Union as contemplated in the Treaty on European Union;

EMU Commencement Date means the date of commencement of the third stage of EMU pursuant to the Treaty on European Union;

EMU Legislation means legislative measures of the European Council for the introduction of, changeover to or operation of the Euro;

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);

Environment means all or any of the following media: air (including air within buildings or other structures and whether above or below ground), land (including buildings and any other structures or erections in, on or under it and any soil and anything below the surface of land), land covered with water and water (including sea, ground, drinking and surface water);

Environmental Approvals means any permit, approval, identification number, consent, licence or other authorisation required under any applicable Environmental Laws;

Environmental Claims means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, notices of non-compliance or violation, investigations, proceedings, consent orders or consent agreements relating in any way to any Environmental Law or any Environmental Approval (hereafter, **Claims**), including without limitation:

- (a) any and all Claims by governmental or regulatory authorities for enforcement, clean-up, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law; and
- (b) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief arising from alleged injury or threat to health, safety or the environment;

Environmental Law means all statutes, treaties and conventions, directives, regulations, circulars and guidance notes having legal or judicial import or effect whether of a criminal, civil or administrative nature, and the rules of common law, relating to or concerning:

- (a) pollution or contamination of the Environment;
- (b) harm to the health of humans, living organisms and ecological systems;
- (c) the generation, manufacture, processing, distribution, use (including abuse), treatment, storage, disposal, transport or handling of any Dangerous Substance; and
- (d) the emission, leak, release or discharge into the Environment of noise, vibration, dust, fumes, gas, odours, smoke steam, effluvia, heat, light radiation (of any kind), infection, bacteria, electricity or any Dangerous Substance and any matter or thing capable of constituting a nuisance or any actionable tort or delict of any kind in respect of such matters;

Equity Group means each of the persons listed in the Ninth Schedule to the Issuer/Borrower Facility Agreement;

Equity Offering means an initial public offering or private placement of at least £100 million worth of new shares of any member of the Securitisation Group or PGL or any parent company thereof;

Equity Offering Amount has the meaning given thereto in Clause 16.1(jj) of the Issuer/Borrower Facility Agreement;

Escrow Account Bank means Abbey National Treasury Services plc or any bank which the Security Trustee may approve and which is a bank for the purposes of section 349 of the Income and Corporation Taxes Act 1988 and has the Requisite Rating;

Escrow Account means the account in the name of BT Globenet Nominees Limited on trust for the Security Trustee, maintained with the Escrow Account Bank (account number 35617348,

sort code 09-00-21) (comprised of the two subaccounts, the Issuer SubAccount and the ManCo SubAccount), or such other account designated by the Security Trustee from time to time;

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 PR Mortgaged Properties and the PRL Mortgaged Properties which are or become owned by the Borrower, details of such properties at the date hereof being set out in Parts 1 and 2 of Schedule 2 to the PR Deed of Charge and Parts 1 and 2 of Schedule 2 to the PRL Deed of Charge;

Euro means the single currency of Participating Member States of the European Union;

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

Excepted Contracts means those contracts listed as items 9, 10 and 11 of the Ninth Schedule to the Original Issuer/Borrower Facility Agreement;

Excess shall bear the meaning ascribed thereto in clause 3.22 of the Bank Agreement;

Excess Cash means, in respect of a Loan Interest Payment Date, the aggregate of cash available to the Borrower on such Loan Interest Payment Date standing to the credit of the Collection Account after (i) deducting an amount equal to the aggregate debit balance of the Operating Accounts on such Loan Interest Payment Date and (ii) making payment in full of items listed at clause 8.1(a) to (w) of the PR Deed of Charge;

Exchange Date means the date which falls 40 days after Closing Date;

Excluded Assets means the PRL/PGL Intra Group Loan and the Hive Down Indemnities;

Excluded Group Entity means any member of the Punch Group that is not a member of the Securitisation Group and any affiliates thereof;

Extraordinary Resolution has the meaning set out in paragraph 22 of the Seventh Schedule to the Trust Deed;

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

Facility Office means the office through which a Liquidity Facility Provider will perform all or any of its obligations under the Liquidity Facility Agreement;

Failure to Pay Event means an event described in clause 17.1(a) of the Issuer/Borrower Facility Agreement;

Fees Letter shall bear the meaning ascribed thereto in clause 11.1 of the Subscription Agreements;

Final Maturity Date means:

- (a) in relation to the Term A1 Facility, the Loan Interest Payment Date falling in June 2015;
 - (b) in relation to the Term A2 Facility, the Loan Interest Payment Date falling in June 2020;
 - (c) in relation to the Term M Facility, the Loan Interest Payment Date falling in June 2029;
 - (d) in relation to the Term N1 Facility, the Loan Interest Payment Date falling in June 2030;
 - (e) in relation to the Term N2 Facility, the Loan Interest Payment Date falling in June 2029;
- and

- (f) in relation to the Term O Facility, the Loan Interest Payment Date falling in June 2030;

Final Offering Circular means the offering circular dated 28 June 2000 relating to the issue of the Notes;

Final Redemption means the date on which all moneys and other liabilities for the time being due or owing by the Issuer to the Security Trustee or the Noteholders under the Notes or in accordance with the Trust Deed have been paid in full;

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 on or about the Closing Date between the Original Obligors, the Parent, the Financial Adviser and the Security Trustee;

Financial Condition Event means an event described in clause 17.1(b) of the Issuer/Borrower Facility Agreement;

Financial Indebtedness means in relation to any Obligor at any time any indebtedness incurred (other than between Obligors) 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 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; 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 each period beginning on the day after a Financial Quarter Date and ending on the next Financial Quarter Date;

Financial Quarter Date means, in respect of the Financial Year current at the time of the Separation Date, 25 May 2002 and 17 August 2002 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 from 18 August and for the first Financial Quarter in each subsequent Financial Year, the date which is 16 weeks from the fourth Financial Quarter Date in the last Financial Year;
- (b) for the second Financial Quarter, the date which is 12 weeks from the previous first Financial Quarter Date;
- (c) for the third Financial Quarter, the date which is 12 weeks from the previous second Financial Quarter Date; and
- (d) for the fourth Financial Quarter, the date which is 12 weeks or, in the case of a 53 week Financial Year, 13 weeks from the previous third Financial Quarter Date,

as specified by the Borrower at the beginning of each Financial Year in the relevant Financial Ratio Compliance Certificate;

Financial Ratio Compliance Certificate means a certificate and report which is duly completed and substantially in the form set out in the Sixth Schedule to the Issuer/Borrower Facility Agreement;

Financial Statements means the most recent audited consolidated financial statements of the Punch Retail Group delivered pursuant to clause 14.1(a) of the Issuer/Borrower Facility Agreement;

Financial Year means the 52 week or 53 week (as the case may be) period ending on the fourth Financial Quarter Date in each year, being, in respect of the Financial Year in which the Separation Date falls, the 52 week period ending on (and including) 17 August 2002;

Fitch means Fitch Ratings Limited 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) the A2 Sinking Fund Account;
- (e) Issuer Transaction Account;
- (f) Liquidity Facility Reserve Account;
- (g) Issuer Cash Collateralisation Account; and
- (h) the Collection Account;

Fixed Rate Advances means together the Term A2 Advances and the Term N2 Advances and **Fixed Rate Advance** shall mean either one of them;

Fixed Rate Loans means together the Term A2 Loan and the Term N2 Loan and **Fixed Rate Loan** means either one of them;

Floating Accounts means each of the Operating Accounts;

Floating Rate Advances means together the Term A1 Advances, the Term M Advances, the Term N1 Advances and the Term O Advances and **Floating Rate Advance** shall mean any one of them;

Floating Rate Loans means together the Term A1 Loan, the Term M Loan, the Term N1 Loan and the Term O Loan and **Floating Rate Loan** shall mean either one of them;

full title guarantee shall be construed so that the covenants implied by the LP (MP) Act in the charges or assignments by way of security contained in or created pursuant to the Charge are construed with the omission of:

- (a) the words "other than any charges, encumbrances or rights which that person does not and could not reasonably be expected to know about" in section 3(1)(b) LP (MP) Act; and
- (b) section 6(2) LP (MP) Act;

further Class A1 Notes means any Class A1 Notes of the Issuer 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 Class A1 Temporary Global Note (or any part thereof) representing the same, the Class A1 Permanent Global Note (or any part thereof) representing the same and (if issued) the Definitive Class A1 Notes (or any of them) representing the same;

further Class A2 Notes means any Class A2 Notes of the Issuer 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 Class A2 Temporary Global Note (or any part thereof) representing the same, the Class A2 Permanent Global Note (or any part thereof) representing the same and (if issued) the Definitive Class A2 Notes (or any of them) representing the same;

further Class M Notes means any Class M Notes of the Issuer 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 Class M Temporary Global Note (or any part thereof) representing the same, the Class M Permanent Global Note (or any part thereof) representing the same and (if issued) the Definitive Class M Notes (or any of them) representing the same;

further Class N1 Notes means any Class N1 Notes of the Issuer 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 Class N1 Temporary Global Note (or any part thereof) representing the same, the Class N1 Permanent Global Note (or any part thereof) representing the same and (if issued) the Definitive Class M Notes (or any of them) representing the same;

further Class N2 Notes means any Class N2 Notes of the Issuer 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 Class N2 Temporary Global Note (or any part thereof) representing the same, the Class N2 Permanent Global Note (or any part thereof) representing the same and (if issued) the Definitive Class N2 Notes (or any of them) representing the same;

further Class O Notes means any Class O Notes of the Issuer 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 Class O Temporary Global Note (or any part thereof) representing the same, the Class O Permanent Global Note (or any part thereof) representing the same and, (if issued) the Definitive Class O Notes (or any of them) representing the same;

further Closing Date means the date of issue of any further notes, New Notes or Replacement Notes pursuant to Condition 16, as the case may be;

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

Further Issue means an issue of further Notes;

further noteholders means the holders of any further notes;

further notes means the further Class A1 Notes, the further Class A2 Notes, the further Class M Notes, the further Class N1 Notes, the further Class N2 Notes and the further Class O Notes or, as the context may require, any combination of the same;

further Permanent Global Note means a permanent Global Note in bearer form without coupons to be issued by the Issuer pursuant to Clause 3.4(b) of the Trust Deed representing the Principal Amount Outstanding of a Further 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;

further Temporary Global Note means a temporary Global Note in bearer form without coupons to be issued by the Issuer pursuant to Clause 3.4(a) of the Trust Deed representing a Further Issue, substantially in the form of Part A of Schedule 1 to the Trust Deed;

further Term Advance means, save as otherwise provided, an advance made or to be made by the Issuer under a further Term Facility;

further Term Advance Outstanding means, at any time, the aggregate principal amount of the relevant further Term Advance;

further Term Advance Repayment Date means the final maturity date for the relevant Further Term Advance specified in the Notice of Drawdown for that further Term Advance;

further Term Facility means a term facility ranking *pari passu* with and forming part of a term facility then outstanding requested of the Issuer by the Borrower pursuant to clause 2.8 of the Issuer/Borrower Facility Agreement and made available to the Borrower by the Issuer in accordance with and subject to the provisions of the Issuer/Borrower Facility Agreement;

Framework Agreement means the Punch Pub Company (VPR) Limited Recapitalisation Framework Agreement dated 15th May, 2003 made between the Company, the Security Trustee and certain others;

Global Notes means the Class A1 Global Notes, the Class A2 Global Notes, the Class M Global Notes, the Class N1 Global Notes, the Class N2 Global Notes and the Class O Global Notes or, as the context may require, any combination of the same;

Gross Redemption Yield means a yield calculated on the basis indicated by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries, Vol. 105, Part 1, 1978, page 18;

Guarantors means the Remaining Guarantors and **Guarantor** shall be construed accordingly;

Hedge Provider means Citibank, N.A.;

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

Hive Down Indemnities means the indemnities provided by each of the Borrower, ManCo and CMSCo in favour of PRL pursuant to their respective Business Transfer Agreements;

HoldCo means Punch Group (Retail Holdings) Limited;

HoldCo Charged Property means the whole of the right, title, benefit and interest of HoldCo in and to the property, assets and rights of HoldCo from time to time described in clause 3 of the HoldCo Covenant and Debenture;

HoldCo Covenant and Debenture means an agreement so named and dated on or about the Closing Date between inter alios, HoldCo, the Issuer and the Security Trustee;

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

Information shall bear the meaning ascribed thereto in the Subscription Agreements;

Initial Fee means:

$$A + B + C + D + E + F + G + H + I + J + K$$

where:

- A equals the fees, costs, charges, liabilities and expenses and any other amounts due and payable to the Security Trustee pursuant to clause 10 of the Issuer Deed of Charge;
- B equals the fees, costs, charges, liabilities and expenses and any other amounts due and payable to the Note Trustee pursuant to clause 13 of the Trust Deed;
- C equals the fees and expenses of any legal advisers, accountants and auditors appointed by the Issuer or the Security Trustee which have fallen due;
- D equals the fees, costs and expenses due and payable to the Paying Agents pursuant to clause 10 of the Agency Agreement;

- E equals all amounts of interest, commitment fee and other sums due or overdue to the Liquidity Facility Providers under the terms of the Liquidity Facility Agreement together with the fees, costs, liabilities and expenses incurred or paid by the Issuer in connection with it entering into any replacement of the Liquidity Facility;
- F equals the fees, costs, charges, liabilities and expenses due and payable to the Agent Bank pursuant to clause 10 of the Agency Agreement;
- G equals the fees, costs, charges, liabilities and expenses due and payable to the Financial Adviser pursuant to clause 3 of the Financial Advisory Services Agreement;
- H equals the fees, costs and expenses due and payable by the Issuer to the Servicer and the Account Bank pursuant to the Servicing Agreement and/or the Bank Agreement;
- I equals the fees, costs, liabilities, expenses and other amounts incurred or paid or payable by the Issuer to Ambac under the Insurance and Indemnity Agreement and Premium Letter;
- J any other amounts due or overdue to third parties including the Rating Agencies and the amounts paid by the Issuer to the Managers (excluding, for these purposes, payment for the benefit of the Noteholders) and which arise directly or indirectly from the funding by the Issuer of the Term Facilities, other than amounts (A) to (I); and
- K where applicable and following submission by the Issuer of an invoice rendered for VAT purposes, VAT thereon and to be applied subject to an in accordance with the provisions of clause 5 and 6 of the Issuer Deed of Charge.

in each case in respect of the period to and including the Closing Date provided that no amount shall be counted more than once;

Initial Term Advance means an advance made under any of the Initial Term Facilities;

Initial Term Facilities means the Term A1 Facility, the Term A2 Facility, the Term M Facility, the Term N1 Facility, the Term N2 Facility and the Term O Facility made available by the Issuer to the Borrower on or about the Closing Date subject to certain conditions set out in the Issuer/Borrower Facility Agreement and excluding for the avoidance of doubt any further Term Facility or New Term Facility;

Insolvency Event means an event described in clause 17.1(c), (d), (e), (f), (g), (h) or (i) of the Issuer/Borrower Facility Agreement;

Insurance and Indemnity Agreement means the agreement dated on or about the Closing Date between inter alios the Issuer and Ambac;

Insurance Policies means each of the policies of insurance set out in the Insurance Register and any policies of insurance (other than the 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 4 of the PR Deed of Charge;

Insured Amount means Relevant Interest and Scheduled Principal;

Intellectual Property means all rights and interests as are referred to in each of clause 4.4 of the PR Deed of Charge and clause 4.4 of the PRL Deed of Charge, respectively;

Interest Charges means, in respect of any relevant period or Financial Quarter, the aggregate amount of interest paid or which was payable during such period by the Obligors in respect of Financial Indebtedness (including any guarantee and any other commitment, fronting and similar fees in respect thereof amounts in the nature of interest, discount charges and the interest element of rental under Finance Leases) plus any amounts paid or payable under interest rate hedge arrangements (having set off or netted off all amounts paid to the Borrower thereunder and provided that if, after such set-off or netting an amount was paid to the relevant Obligor such amount will be deducted from the calculation of Interest Charges) during such period but excluding:

- (a) amounts payable (A) to any other Securitisation Group Entity (except the Issuer) and (B) any interest paid or payable out of or by way of Permitted Outside Payments during the relevant period; and
- (b) amounts payable by the Borrower to PR FundCo out of Permitted Outside Payments, of an amount equal to any tax liability of PR FundCo resulting from and in respect of the PR Borrower Subordinated Loan;

Interest Determination Date has the meaning given to it in Condition 4(c);

Interest Payment Date means 28 March, 28 June, 28 September and 28 December in each calendar year unless that date is not a Business Day, in which case the Convention shall apply;

Interest Period means, in relation to the Term Advances and the Further Term Advances, the periods determined pursuant to clauses 7.1 and 7.2 of the Issuer/Borrower Facility Agreement and, in relation to the Notes, the periods determined pursuant to Condition 4(b);

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 Agreement 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 Outside Payment permitted under the Issuer/Borrower Facility Agreement 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 an Outside Payment which is permitted under the terms of the Issuer/Borrower Facility Agreement; and
 - (ii) the amount of any Outside Payment that is funded by such a loan shall not have also been funded from another source.

Intra-Group Loan Agreements means any agreement setting out the terms of a loan made by an Obligor to another Obligor where permitted pursuant to the Issuer/Borrower Facility Agreement;

Intra-Group Supply Agreement means the agreement entered into between the Borrower and SupplyCo on or about the Separation Date;

Investor Presentation shall bear the meaning ascribed thereto in clause 6.1(f)(i) of the Subscription Agreement;

IP Licence means any licence or other agreement pursuant to or under which any Intellectual Property is held or exploited by any Obligor;

IP Rights means the Intellectual Property rights assigned pursuant to clause 4.4 of the PR Deed of Charge and clause 4.4 of the PRL Deed of Charge, respectively;

Issuer means Punch Funding II Limited incorporated in the Cayman Islands with limited liability and registered in the United Kingdom as an overseas company under the Companies Act 1985;

Issuer Accounts means:

- (a) the Issuer Transaction Account;
- (b) the Issuer Cash Collateralisation Account; and
- (c) the Liquidity Facility Reserve Account;

Issuer Available Funds means on any Interest Payment Date, the funds available to the Issuer to make payments of the items specified in clause 5.2 of the Issuer Deed of Charge;

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

Issuer Cash Collateralisation Account means the account of the Issuer which is maintained with the Account Bank (account number 20089184, 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 Agreement;

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 (other than the sum of £1 retained by the Issuer);

Issuer Deed of Charge means the deed dated on or about 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 and the Luxembourg Paying Agent and as amended and supplemented from time to time and including, where the context so admits, the Supplemental Issuer Deed of Charge and each Scottish Supplemental Issuer Deed of Charge;

Issuer Enforcement Notice has the meaning given to it in Condition 9;

Issuer Escrow Account means the subaccount of the Escrow Account, identified under the name of the Issuer, into which the Issuer Escrow Amount shall be paid, or such other account designated by the Security Trustee;

Issuer Escrow Amount means the amount so described in the Deed of Escrow;

Issuer Event of Default means any of the events specified in Condition 9 as an "Event of Default" which entitles the Note Trustee to serve an Issuer Enforcement Notice pursuant to the terms thereof;

Issuer Obligations means the aggregate of all moneys and other liabilities for the time being due or owing by the Issuer:

- (a) to the Security Trustee, the Note Trustee, the Class A1 Noteholders, the Class A2 Noteholders, the Class M Noteholders, the Class N1 Noteholders, the Class N2 Noteholders, the Class O Noteholders, any further Noteholders and any New Noteholders under or pursuant to the Class A1 Notes, the Class A2 Notes, the Class M Notes, the Class N1 Notes, the Class N2 Notes, the Class O Notes, any further notes, any New Notes, the Issuer Deed of Charge, the Trust Deed, the Agency Agreement, and any other Transaction Document to which the Issuer is a party;
- (b) to the Liquidity Facility Providers and the Liquidity Facility Agent under the Liquidity Facility Agreement and the Issuer Deed of Charge;
- (c) to Ambac under the Ambac Policy, the Insurance and Indemnity Agreement and the Issuer Deed of Charge;
- (d) to the Agent Bank under the Agency Agreement and the Issuer Deed of Charge;
- (e) to the Servicer under the Servicing Agreement and the Issuer Deed of Charge;
- (f) the Account Bank under the Bank Agreement and the Issuer Deed of Charge;
- (g) to the Principal Paying Agent and the Luxembourg Paying Agent under the Agency Agreement and the Issuer Deed of Charge;
- (h) to the Financial Advisor pursuant to the Financial Advisory Services Agreement;

Issuer Secured Creditors means each of:

- (a) the Security Trustee;
- (b) the Note Trustee;
- (c) the Class A1 Noteholders;
- (d) the Class A2 Noteholders;
- (e) the Class M Noteholders;
- (f) the Class N1 Noteholders;
- (g) the Class N2 Noteholders;
- (h) the Class O Noteholders;
- (i) Ambac;
- (j) the New Noteholders;
- (k) any further noteholders

- (l) the Liquidity Facility Providers;
- (m) the Liquidity Facility Agent;
- (n) the Agent Bank;
- (o) the Account Bank;
- (p) the Servicer;
- (q) the Principal Paying Agent;
- (r) the Luxembourg Paying Agent; and
- (s) the Financial Adviser;

Issuer Security means:

- (a) the conveyances, transfers, assignments, assignments, charges and other security interests in respect of the property, assets, interests, rights and powers detailed in or granted by the Issuer pursuant to clause 3 of the Issuer Deed of Charge;
- (b) the floating charge over the whole of the undertaking, property and assets of the Issuer (other than the sum of £1 retained by the Issuer), whatsoever and wheresoever, present and future, including uncalled capital, not subject (except as specified in the Issuer Deed of Charge) to the aforesaid conveyances, transfers, assignments, assignments, charges and other security interests contained in the Issuer Deed of Charge; and
- (c) any further conveyance, transfer, assignment, assignment, charge or other security interest executed or created by the Issuer pursuant to the Issuer Deed of Charge, including without limitation the Supplemental Issuer Deed of Charge and each Scottish Supplemental Issuer Deed of Charge;

Issuer Transaction Account means the account of the Issuer maintained with the Account Bank (account number 60422584, 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;

JerseyCo means Punch Retail (Acquisition Jersey) Limited;

KPMG Report means the report of KPMG Audit Plc dated 28 June 2000 and addressed to the Issuer, PRL and the Lead Manager;

Lead Manager means Salomon Brothers International Limited;

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 PR Mortgaged Property;

Lease Receivables means the rents (and other amounts equivalent to rack rental payments) payable under a Lease Agreement;

LeaseCo Business Transfer Agreement means the agreement dated 25 June 2000 between the Borrower and PRL relating to the transfer of certain assets and rights to the Borrower;

Leasehold Property Reports means the leasehold property report prepared by Messrs TLT solicitors dated on or around 22 April 2002 and the leasehold property report prepared

by Messrs Campbell Smith W.S. solicitors dated on or around 22 April 2002;

Legal Opinions means the opinions referred to in Section 4 of Part 1 of the Third Schedule to the Original Issuer/Borrower Facility Agreement;

LIBOR means:

- (a) the arithmetic mean of the offered quotations to leading banks (rounded to four decimal places with the mid-point rounded up) for sterling deposits for the relevant period (or deposits for such other currency or currency unit as may replace sterling as the lawful currency of the United Kingdom) in the London Inter-bank market which appear on Telerate Screen Page No. 3750 (or (i) such other page as may replace Telerate Screen Page No. 3750 on that service for the purpose of displaying such information or (ii) if that service ceases to display such information, such page as displays such information on any equivalent service (or, if more than one, that one which is approved by the Security Trustee) as may replace the Telerate Monitor) (the **Screen Rate**) at or about 11.00 am on the Quotation Date; or
- (b) if the Screen Rate is not then available for sterling deposits for the relevant period (or deposits for such other currency or currency unit as may replace sterling as the lawful currency of the United Kingdom), the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Agent Bank at its request by each of the Reference Banks as the rate at which sterling deposits for the relevant period (or deposits for such other currency or currency unit as may replace sterling as the lawful currency of the United Kingdom) are offered for that period by that Reference Bank to leading banks in the London Inter-bank market at or about 11.00 am (London time) on the Quotation Date. If on any such date, two or more of the Reference Banks provide such offered quotations to the Agent Bank, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such date, only one of the Reference Banks provides the Agent Bank with such an offered quotation, the Agent Bank shall forthwith consult with the Security Trustee and the Issuer, for the purposes of agreeing one additional bank to provide such a quotation or quotations to the Agent Bank (which bank is in the opinion of the Security Trustee suitable for such purpose) and the rate for the period in question shall be determined, as aforesaid, on the basis of the offered quotations of such banks as so agreed. Save as expressly provided in any of the Relevant Documents, if no such bank or banks is or are so agreed or such bank or banks as so agreed does or do not provide such a quotation or quotations, then the rate for the relevant period shall be the rate in effect for the last preceding Interest Period to which sub-paragraph (a) of the foregoing provisions of this sub-paragraph (b) shall have applied;

Licensing Act means the Licensing Act 1964 or the Licensing (Scotland) Act 1976, as the context may require;

Liquidity Commitment means in relation to a Liquidity Facility Provider the amount in Sterling set out opposite such Liquidity Facility Provider's name in Schedule 3 to the Liquidity Facility Agreement, to the extent not cancelled, transferred or reduced;

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 Lloyds TSB Bank plc 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 Agreement means the agreement dated on or about 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 Commitment Termination Date means, subject to clause 3 of the Liquidity Facility Agreement, the date 364 days after the date of the Liquidity Facility Agreement;

Liquidity Facility Drawing means a drawing made under clause 4.1 of the Liquidity Facility Agreement or deemed to be made under clause 4.7(a) of the Liquidity Facility Agreement;

Liquidity Facility Drawing Date means two Business Days prior to an Interest Payment Date;

Liquidity Facility Drawing Notice means a notice substantially in the form set out in Schedule 1 to the Liquidity Facility Agreement;

Liquidity Facility Event of Default means any one of the events specified in clause 8.1 of the Liquidity Facility Agreement;

Liquidity Facility Loan means the aggregate principal amount of all Liquidity Facility Drawings and Liquidity Facility Standby Drawings for the time being advanced and outstanding under the Liquidity Facility;

Liquidity Facility Limit means £110,000,000;

Liquidity Facility Margin means 0.75 per cent. per annum;

Liquidity Facility Providers means at the Closing Date, Lloyds TSB Bank plc and thereafter any other bank which is a Qualifying Bank whose short-term, unsecured, unsubordinated and unguaranteed debt is rated at least equal to the 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 Relevant Event means any of the following events:

- (a) the downgrade on any day of the short-term, unsecured, unsubordinated and unguaranteed debt of a Liquidity Facility Provider to lower than the Requisite Rating; or
- (b) the refusal by a Liquidity Facility Provider of an Extension Request; or
- (c) the Issuer requesting that a Liquidity Facility Provider transfer its rights and obligations under the Liquidity Facility Agreement to a third party; or
- (d) if a Liquidity Facility Provider ceases to be a Qualifying Bank;

Liquidity Facility Reserve Account means the account in England in the name of the Issuer (at the date of this Schedule account number 10679887, 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
- (b) in any other case, with a bank which has the Requisite Rating;

Liquidity Facility Stand-by Deposit means the amount standing to the credit of the Liquidity Facility Reserve Account from time to time together with interest thereon;

Liquidity Facility Stand-by Drawing means a drawing made under clause 4.4 of the Liquidity Facility Agreement;

Liquidity Facility Stand-by Drawing Period means the period from the date on which a Liquidity Facility Stand-by Drawing is made in accordance with the terms of the Liquidity Facility Agreement to the date on which it is repaid by the Issuer to the relevant Liquidity Facility Provider pursuant to clause 7.3 of the Liquidity Facility Agreement;

Liquidity Facility Stand-by Loan means the principal amount of any Liquidity Facility Stand-by Drawings made under the Liquidity Facility Agreement as reduced from time to time in accordance with clause 4.7 of the Liquidity Facility Agreement;

Liquidity Outstandings means at any time the principal amount of all Liquidity Facility Drawings outstanding at that time;

Liquidity Subordinated Amounts has the meaning given to it in clause 5.2(b) of the Issuer Deed of Charge;

Liquor Licence means a licence granted under the relevant Licensing Act authorising the sale by retail on a PR Mortgaged Property of intoxicating liquor of all descriptions for consumption on or off such PR Mortgaged Property, including any consent or order for the extension of permitted hours, and **Liquor Licences** means all of them;

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;

Loan Notes means the loan notes which on the Closing Date were in the principal sum of £43,160,845 issued by Punch Retail (Acquisition Company) Limited;

LP(MP) Act means the Law of Property (Miscellaneous Provisions) Act 1994;

Luxembourg Paying Agent means Dexia Banque Internationale à Luxembourg, société anonyme 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 (VPR) Limited maintained with the Account Bank (account number 50808180, 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 PR Deed of Charge;

Maintenance Capex Shortfall in respect of a Financial Year means such portion (if any) of the Minimum Maintenance CapEx Amount in respect of such Financial Year as is neither expended on CapEx during such Financial Year nor credited to the Maintenance CapEx Account at the end of such Financial Year in accordance with clause 8.1 of the PR Deed of Charge;

Majority Liquidity Facility Providers means, at any time, Liquidity Facility Providers whose Liquidity Outstandings are more than 51 per cent. in aggregate of the Total Liquidity Outstandings at such time or, in the event that there are no Liquidity Outstandings at such time, Liquidity Facility Providers whose Liquidity Commitments then aggregate more than 51 per cent. of the Total Liquidity Commitments;

Managed Estate means the properties beneficially owned as at the Separation Date by Spirit Group Limited;

Management Presentation shall bear the meaning ascribed thereto in Clause 6.1(f)(i) of the Subscription Agreements;

Management Services Agreement means the Management Services Agreement dated 27 October 2000 between the Borrower, Punch Pub Company (PTL) Limited, Punch Pub Company (Fradley) Limited and Punch Group (Retail Properties) Limited;

Managers means the Lead Manager, Goldman Sachs International and The Royal Bank of Scotland plc;

ManCo means Spirit Group Limited (formerly known as Punch Retail (Managed) Limited) a company registered in England and Wales with registered number 3982443;

Manco Escrow SubAccount means the subaccount of the Escrow Account, identified under the name of ManCo, into which the Manco Escrow Amount shall be paid, or such account designated by the Security Trustee from time to time;

Manco Escrow Amount means the amount so described in the Deed of Escrow ;

ManCo Holdings means Punch Retail (Managed Holdings) Limited a company registered in England and Wales with registered number 1676516;

Mandate means, in relation to a bank account maintained by any member of the Securitisation Group, the bank account mandate entered into between the Account Bank and the relevant member of the Securitisation Group;

Mandatory Costs means in relation to any Liquidity Facility Drawing or unpaid sum due and payable under the Liquidity Facility Agreement, the amount Determined in accordance with the formula contained in Schedule 2 to the Liquidity Facility Agreement;

Margin means the Applicable A1 Margin, the Applicable M Margin, the Applicable N1 Margin or the Applicable O Margin as the context may require;

Master Amendment Deed means the Master Deed of Release and Amendment dated 22 April 2002 made between the parties to each of the Transaction Documents, pursuant to which with effect from the Relevant Time, inter alia, amendments were effected to certain terms of certain of the Transaction 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:

- (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 Transaction Documents; or
- (b) results in any of the Transaction 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 Arrangements;
- (c) the Management Services Agreement;
- (d) the EDS Agreement; and
- (e) contracts relating to the management of the Estate;

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 in accordance with the Issuer/Borrower Facility Agreement;

Maturity Date means 28 June 2002;

Maximum CapEx Amount has the meaning given to it in Clause 16.8(c) of the Issuer/Borrower Facility Agreement;

Minimum Amortisation Amounts means a Minimum A1 Amortisation Amount, a Minimum M Amortisation Amount, a Minimum N1 Amortisation Amount, a Minimum O Amortisation Amount and any New Amortisation Amount (as the case may be);

Minimum A1 Amortisation Amount means in respect of a Loan Interest Payment Date set out in Part 2 of the Second Schedule to the Issuer/Borrower Facility Agreement, the respective amount set out opposite that Loan Interest Payment Date in Part 2 of the Second Schedule to the Issuer/Borrower Facility Agreement in relation to the Term A1 Facility (as amended from time to time);

Minimum Maintenance CapEx Amount means in respect of each Financial Year an amount in total equal to an average of £1000 per Pub in the Estate at the start of the relevant Financial Year (adjusted upwards at the start of each Financial Year in accordance with the percentage increase in the UK retail prices index since the start of the last Financial Year);

Minimum M Amortisation Amount means in respect of a Loan Interest Payment Date set out in the Second Schedule to the Issuer/Borrower Facility Agreement, the respective amount set out opposite that Loan Interest Payment Date in Part 2 of the Second Schedule to the Issuer/Borrower Facility Agreement in relation to the Term M Facility (as amended from time to time);

Minimum N1 Amortisation Amount means in respect of a Loan Interest Payment Date set out in Part 2 of the Second Schedule to the Issuer/Borrower Facility Agreement, the respective amount set out opposite that Loan Interest Payment Date in Part 2 of the Second Schedule to

the Issuer/Borrower Facility Agreement in relation to the Term N1 Facility (as amended from time to time);

Minimum O Amortisation Amounts means in respect of a Loan Interest Payment Date set out in Part 2 of the Second Schedule to the Issuer/Borrower Facility Agreement, the respective amount set out opposite that Loan Interest Payment Date in the Second Schedule to the Issuer/Borrower Facility Agreement in relation to the Term O Facility (as amended from time to time);

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

national currency unit means the unit of currency (other than a Euro unit) of a Participating Member State;

Net Cash Flow means for any relevant period or Financial Quarter, Adjusted EBITDA less the aggregate of (i) the Minimum Maintenance CapEx Amount expended and (ii) taxes paid in such relevant period or Financial Quarter and (iii) an amount equal to 50 per cent. of payments on account of taxes on interest payments to the extent actually made under the PR Borrower Subordinated Loan;

Net Cash Flow Ratio means the ratio of Net Cash Flow to Debt Service;

Net Pub Sales Proceeds means the proceeds of the sale of any Pub less required transaction costs, including legal fees, agency fees and taxes;

Net Worth means, in each case calculated at the end of the Securitisation Group's Financial Year:

- (a) the sum of:
 - (i) the outstanding principal amount of the PR Borrower Subordinated Loan Facility (including all accumulated or capitalised interest thereon);
 - (ii) any accumulated after tax earnings (minus any accumulated losses) minus accumulated dividends paid by the Borrower and/or the Parent, as appropriate;
 - (iii) the stated share capital fully paid up and the additional paid in capital of the Securitisation Group;
 - (iv) any fully subordinated Financial Indebtedness of any Obligor provided that, by its terms, any and all amounts due and payable thereunder are for so long as the Outside Payment Conditions are applicable, serviced out of Permitted Outside Payments to the extent the same are applicable;
 - (v) to the extent these would otherwise be deducted from any of the items referred to at items (i) to (iv) above (either directly or indirectly), the amount of any value adjustments or other non-cash provisions referable to the Allied Domecq Acquisition;
 - (vi) to the extent there would otherwise be deducted from items listed at (i) to (iv) above (either directly or indirectly), any amount (on an after tax basis) attributable to the amortisation or the writing off of costs associated with the Allied Domecq Acquisition (including costs written off as a result of the prepayment of existing indebtedness and the entering into of the Hedging Agreement) and/or (if applicable) an Equity Offering and the financing costs associated therewith; and

- (vii) the Minimum Amortisation Amounts payable on each Loan Interest Payment Date falling after the Separation Date and on or prior to the date on which Net Worth is being calculated,

less

- (b) the amount of any sums required by the Accounting Principles to be provided for taxation payable by any Obligor and not provided for in the accounts in respect of the relevant Financial Year excluding for the avoidance of doubt, any amounts (as noted in any qualification to any such accounts by the Auditors of such Obligor) relating to unprovided, deferred taxation on the revaluation of fixed assets,

provided that no amount shall be included or excluded more than once;

Net Worth Covenant means the Covenant contained in clause 15.1(b) of the Issuer/Borrower Facility Agreement;

New Amortisation Amount has the meaning given to it in clause 8.6 of the Issuer/Borrower Facility Agreement;

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 Lease Agreement means any Lease Agreement entered into by any Obligor after the Closing Date;

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, as the context may require, includes any Replacement Notes) and which are constituted by a deed supplemental to the Trust Deed pursuant to clause 2.8 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 PGEL Charged Property means property, assets and rights of PGEL which are the subject of security interests created by PGEL in favour of the Security Trustee pursuant to clauses 3 and 4 of the New PGEL Deed of Charge;

New PGEL Deed of Charge means the deed of assignment and charge dated the Separation Date between, inter alios, PGEL and the Security Trustee;

New PGEL Enforcement Event means a Punch Claim Event;

New PGEL Original Securities means the securities listed in Schedule 1 to the New PGEL Deed of Charge and any other securities which with the prior written consent of the Security Trustees, may be substituted therefor together with any other rights, title, interest and benefit of PGL in any securities from time to time;

New PGEL Secured Amounts means the moneys and liabilities which PGEL undertakes and covenants to pay in clause 2 of the New PGEL Deed of Charge;

New PGEL Permitted Encumbrance means an Encumbrance arising under the New PGEL Deed of Charge;

New PR Charged Property means the property, rights and assets of the Company which are the subject of security interests created by it pursuant to the Charge and as described herein;

New PR Mortgaged Property means the freehold properties in England and Wales details of which are subject to or intended to be subject to a legal mortgage in favour of the Security Trustee pursuant to the Second Supplemental PR Deed of Charge;

New Subsidiary has the meaning given to clause 16.6 of the Issuer/Borrower Facility Agreement;

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;

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 Loan means the aggregate principal amount for the time being outstanding under a New Term Facility;

New Term Facility means a term facility funded by the issue of New Notes which ranks no higher than the Class A Notes, and which is requested from the Issuer by the Borrower pursuant to clause 2.8 of the Issuer/Borrower Facility Agreement and made available to the Borrower by the Issuer in accordance with and subject to the provisions of clause 2.1 of the Issuer/Borrower Facility Agreement;

Noteholders means the Class A Noteholders, the Class M Noteholders, the Class N Noteholders and the Class O Noteholders or, if no Class A1 Notes are outstanding, the Class A2 Noteholders, the Class M Noteholders, the Class N Noteholders and the Class O Noteholders or, if no Class A2 Notes are outstanding, the Class M Noteholders, the Class N Noteholders and the Class M Noteholders or, if no Class M Notes are outstanding, the Class N Noteholders and the Class O Noteholders or, if no Class N1 Notes are outstanding, the Class N2 Noteholders and the Class O Noteholders or, if no Class N2 Noteholders are outstanding, the Class O Noteholders from time to time and includes, where the context so requires, any further noteholders of any class of further notes and includes, where the context so required, any holders of any class of further notes or New Notes;

Notes means the Class A1 Notes, the Class A2 Notes, the Class M Notes, the Class N1 Notes, the Class N2 Notes, the Class O 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;

notice means, in respect of a notice to be given to the Noteholders, a notice duly given in accordance with Condition 15;

Notice of Claim means a notice of claim and certificate in the form attached to the Ambac Policy;

Notice of Drawdown means a duly completed notice substantially in the form set out in the Third Schedule to the Issuer/Borrower Facility Agreement;

Notice of Extension has the meaning given to it in clause 3.5 of the Liquidity Facility Agreement;

Obligations means the Issuer Obligations and/or the Parent Obligations, as the case may be;

Obligor Accounts has the meaning given to it in clause 3.1(a) of the Bank Agreement;

Obligor Deeds of Charge means the PR Deed of Charge, the PRL Deed of Charge, the HoldCo Covenant and Debenture and the PR FundCo Guarantee and Debenture and **Obligor Deed of Charge** means any of them;

Obligors means the Borrower and each of the Remaining Guarantors, and **Obligor** shall mean any one of them;

Obligor Charged Property means the property, assets and rights created pursuant to the relevant Obligor Deed of Charge;

Obligor Secured Amounts means the PRL Secured Amounts, the PR Secured Amounts, the HoldCo Secured Amounts and the PR FundCo Secured Amounts;

Offering Circulars means the Preliminary Offering Circulars and the Final Offering Circular and Offering Circular shall mean any one of them;

Off Sales means Punch Retail (Off-Sales) Limited, a company registered in England and Wales with registered number 3595233;

Old Charges means those mortgages, securities, charges and encumbrances pursuant to which security over a PR Mortgaged Property exists as at the Closing Date;

Operating Account means the account of Punch Pub Company (VPR) Limited maintained with the Account Bank (account number 70611085, 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 PR Deed of Charge;

Operating Account Maximum Balance means the amount determined in accordance with clause 3.16 of the Bank Agreement;

Optional Redemption Date means the first Interest Payment Date falling after the seventh anniversary of the Closing Date;

Ordinary Share means, in relation to each Guarantor and the Issuer, an ordinary share in the share capital of that company and **Ordinary Shares** shall be construed accordingly;

Original Bank Agreement means the bank agreement dated on or about the Closing Date between, inter alia, the Borrower, PRL, the Issuer, the Servicer, the Security Trustee, the Note Trustee and the Account Bank;

Original Class A1 Notes means the £350,000,000 Class A1 Secured Floating Rate Notes due 2015 constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class A1 Temporary Global Note (or any part thereof) and the Class A1 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Definitive Class A1 Notes (or any of

them) representing the same and references to the Class A1 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto;

Original Class A2 Notes means the £300,000,000 Class A2 Secured Notes due 2020 constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class A2 Temporary Global Note (or any part thereof) and the Class A2 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Definitive Class A2 Notes (or any of them) representing the same and references to the Class A2 Notes shall, except where the context otherwise requires, include the Class A2 Conditions applicable thereto;

Original Class M Notes means the £450,000,000 Class M Secured Floating Rate Notes due 2029 constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class M Temporary Global Note (or any part thereof) and the Class M Permanent Global Note (or any part thereof) representing the same, and (if issued) the Definitive Class M Notes (or any of them) representing the same and references to the Class M Notes shall, except where the context otherwise requires, include the Class M Conditions applicable thereto;

Original Class N1 Notes means the £165,000,000 Class N1 Secured Floating Rate Notes due 2030 constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class N1 Temporary Global Note (or any part thereof) and the Class N1 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Definitive Class N1 Notes (or any of them) representing the same and references to the Class N1 Notes shall, except where the context otherwise requires, include the Class N1 Conditions applicable thereto;

Original Class N2 Notes means the £150,000,000 Class N2 Secured Notes due 2029 constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class N2 Temporary Global Note (or any part thereof) and the Class N2 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Definitive Class N2 Notes (or any of them) representing the same and references to the Class N2 Notes shall, except where the context otherwise requires, include the Class N2 Conditions applicable thereto;

Original Class O Notes means the £69,000,000 Class O Secured Floating Rate Notes due 2030 constituted by the Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class O Temporary Global Note (or any part thereof) and the Class O Permanent Global Note (or any part thereof) representing the same, and (if issued) the Definitive Class O Notes (or any of them) representing the same and references to the Class O Notes shall, except where the context otherwise requires, include the Class O Conditions applicable thereto;

Original Deed of Delegation means the deed of delegation dated on or about the Closing Date between, inter alia, the Security Trustee, the Delegate, the Borrower, PRL, CMSCo, Off Sales, the Issuer and the Sub-Delegate;

Original Financial Statements means the audited financial statements of Punch Retail Limited for the years ended August, 1997, August, 1998 and August, 1999 and the unaudited statements for the 9 month period ended May, 2000;

Original Floating Rate Notes means the Original Class A1 Notes, the Original Class M Notes, the Original Class N1 Notes and the Original Class O Notes;

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

Original Guarantors means each of the companies listed in Part 1 of the First Schedule to the Issuer/Borrower Facility Agreement;

Original Issuer/Borrower Facility Agreement means the agreement dated on or about the Closing Date made between the Obligors, PGL, the Issuer, the Agent Bank and the Security Trustee pursuant to which the Issuer agreed to make available, from time to time, certain loan facilities to the Borrower and ManCo upon and subject to the terms set out therein;

Original Issuer Deed of Charge means the deed dated on or about 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 and the Luxembourg Paying Agent;

Original Liquidity Facility Agreement means the liquidity facility agreement dated on or about the Closing Date made between the Issuer, the Liquidity Facility Providers, the Liquidity Facility Agent and the Security Trustee pursuant to which the Liquidity Facility Providers agreed to provide the Issuer, from time to time, with advances for the purposes specified therein, subject to and in accordance with the terms thereof;

Original Notes means the Original Class A1 Notes, Original Class A2 Notes, the Original Class M Notes, the Original Class N1 Notes, the Original Class N2 Notes, the Original Class O Notes or, as the context may require, any combination of the same;

Original Obligors means each of the Original Guarantors and the Borrower;

Original PR Deed of Charge means the deed of charge dated on or about the Closing Date between the Obligors (other than PRL), the Issuer and the Security Trustee;

Original Servicer means the Borrower or such other servicer as was appointed from time to time pursuant to the terms of the Original Servicing Agreement;

Original Servicing Agreement means the agreement dated on or about the Closing Date between the Issuer, the Original Servicer, the Parent and the Security Trustee pursuant to which the Original Servicer agreed to provide the Issuer and the Security Trustee with certain administration services, upon and subject to the terms set out therein;

Original Subscription Agreements means each of the Class A Subscription Agreement, the Class M Subscription Agreement, the Class N Subscription Agreement, and the Class O Subscription Agreement;

Outside Payment shall bear the meaning ascribed thereto in clause 16.4(a) of the Issuer/Borrower Facility Agreement;

Outside Payment Conditions means the Pre Equity Offering Outside Payment Conditions and/or the Post Equity Outside Payment Conditions;

outstanding means, in relation to the Class A1 Notes, the Class A2 Notes, the Class M Notes, the Class N1 Notes, the Class N2 Notes or the Class O Notes, all Class A1 Notes, Class A2 Notes, Class M Notes, Class N1 Notes, Class N2 Notes or Class O 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 N1 Notes, the Class N2 Notes and the Class O 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, respectively, 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 Class A1 Noteholders, the Class A2 Noteholders, the Class M Noteholders, the Class N1 Noteholders, the Class N2 Noteholders or the Class O Noteholders;
- (ii) the determination of how many and which of the Class A1 Notes, the Class A2 Notes, the Class M Notes, the Class N1 Notes, the Class N2 Notes or the Class O 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;
- (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 Noteholders, the Class A2 Noteholders, the Class M Noteholders, the Class N1 Noteholders, the Class N2 Noteholders, and/or the Class O 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 Noteholders, the Class A2 Noteholders, the Class M Noteholders, the Class N1 Noteholders, the Class N2 Noteholders, and/or the Class O Noteholders, as the case may be,

the Class A1 Note, the Class A2 Note, the Class M Note, the Class N1 Note, the Class N2 Note, and/or the Class O Note 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 Policy, any Class A1

Notes, Class A2 Notes, Class M Notes, Class N1 Notes, Class N2 Notes and Class O 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 Retail (Funding Holdings) Limited incorporated in England and Wales with registered number 3982429;

Parent Charged Property means, subject to any contrary indication, the undertaking and assets of the Parent from time to time charged in favour of, or assigned (whether at law or equity) to the Security Trustee by or pursuant to the PR Deed of Charge;

Parent Securities means:

- (a) the issued share capital of the Issuer, being 2 ordinary shares of £1 each;
- (b) the issued share capital of ManCo Holdings, being 2,000,000,000 ordinary shares of £1 each;
- (c) the issued share capital of CMSCo being 2 ordinary shares of £1 each; and
- (d) the issued share capital of the Borrower, being 2 ordinary shares of £1 each;

Participating Member State means at any time, each state participating in EMU at such time;

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;

Periodic Fee means:

$$A + B + C + D + E + F + G + H + I + J + K + L + M + N + O + P$$

where

- A is an amount equal to the fees, costs, charges, liabilities and expenses and any other amounts due and payable by the Issuer to the Security Trustee pursuant to clause 14 of the Issuer Deed of Charge;
- B is an amount equal to the fees, costs, charges, liabilities and expenses and any other amounts due and payable by the Issuer to the Note Trustee pursuant to clause 10 of the Trust Deed;
- C is an amount equal to the fees and expenses of any legal advisers, accountants, financial advisers, auditors or other professional advisers appointed by the Issuer, the Security Trustee or the Note Trustee which have fallen due;
- D is an amount equal to the fees, costs and expenses due and payable to the Paying Agents pursuant to clause 10 of the Agency Agreement;
- E is an amount equal to any amounts due and payable by the Issuer to the Inland Revenue in respect of the Issuer's liability to corporation tax (insofar as payment cannot be satisfied out of the profits of the Issuer and subject to the terms of the Issuer Deed of Charge) or any other Taxes payable by the Issuer;
- F is an amount equal to all amounts of commitment fee and other fees, costs and expenses (other than interest) due or overdue to the Liquidity Facility Providers under

the terms of the Liquidity Facility Agreement (to the extent not otherwise satisfied by payment of such amounts to the Issuer Cash Collateralisation Account pursuant to clause 17.2 of the Issuer Borrower/Facility Agreement and/or by payment of the relevant unpaid sum of default interest thereon calculated in accordance with clause 19.5(d) of the Issuer/Borrower Facility Agreement) and/or the fees, costs, liabilities and expenses incurred or paid by the Issuer in connection with it entering into any replacement of the Liquidity Facility;

- G is an amount equal to the fees, costs, charges, liabilities and expenses due and payable to the Agent Bank pursuant to clause 10 of the Agency Agreement;
- H is an amount equal to the fees, costs and expenses due and payable by the Issuer to the Servicer pursuant to the Servicing Agreement;
- I is an amount equal to the fees, costs and expenses due and payable by the Issuer to the Account Bank pursuant to the Bank Agreement;
- J equals the fees, costs, liabilities, expenses and other amounts incurred or paid or payable by the Issuer to Ambac pursuant to the Premium Letter and/or the Insurance and Indemnity Agreement;
- K equals the fees, costs, charges, liabilities and expenses due and payable to Property Advisor pursuant to the provisions of the Property Advisory Services Agreement;
- L equals the fees, costs, charges, liabilities and expenses due and payable to the Financial Advisor pursuant to clause 3 of the Financial Advisory Services Agreement;
- M is an amount equal to the fees payable by the Issuer to the Liquidity Facility Provider pursuant to clause 19.5 of the Issuer/Borrower Facility Agreement to the extent not included in F;
- N is an amount equal to any fees or other amounts similar to those mentioned above due or overdue to third parties including the Rating Agencies and the amounts paid by the Issuer to the Lead Manager (excluding, for these purposes, payment of any corporation tax by the Issuer and payment by the Issuer for the benefit of the Noteholders) and which arise directly or indirectly from the funding by the Issuer of the Term Facilities, other than amounts (A) to (K);
- O is an amount equal to any VAT arising in respect of any of the amounts referred to in (A) to (O) except to the extent such VAT is recoverable by the Issuer; and
- P is an amount equal to such amounts as are required by the Issuer to ensure that (having regard to the tax treatment of any costs and expenses borne by the Issuer) it is able to make full payment of such costs and expenses,

to the extent not included in the Initial Fee and to avoid double counting;

Permanent Global Notes means each Class A1 Permanent Global Note, Class A2 Permanent Global Note, Class M Permanent Global Note, Class N1 Permanent Global Note, Class N2 Permanent Global Note and Class O Permanent Global Note;

Permitted Acquisition means an acquisition in accordance with clause 16.6 of the Issuer/Borrower Facility Agreement;

Permitted Acquisition Funds shall bear the meaning ascribed thereto in clause 16.6(b) of the Issuer/Borrower Facility Agreement;

Permitted Business means a business or a Pub or other real or heritable property centred around the ownership and/or operation of premises from which hospitality, catering and other incidental services (including accommodation) are to be provided in the United Kingdom, the primary activity of which is that of owning/operating public houses (in all cases, with or without ancillary restaurants facilities, bars or nightclubs);

Permitted Disposal means the disposal of up to 150 Pubs (including fixtures and fittings related thereto) in the Estate over the life of the Term Facilities contributing no more than £10 million of Pub Contribution, as certified by the Borrower, and the disposal of further Pubs with the prior consent of the Rating Agencies and Ambac, if applicable;

Permitted Encumbrances means:

- (a) subject to clause 16.3(o) of the 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 Obligor and its respective suppliers or customers;
- (d) the rights of the owners and/or lessors of any assets or property acquired by any Obligor under any hire purchase or Finance Lease transaction which falls within sub-clause (g) of the definition of Permitted Financial Indebtedness;
- (e) an Encumbrance arising under the Security Documents;
- (f) an Encumbrance arising in connection with the Collateral Account;
- (g) an Encumbrance over the interest of any Charging Company or PRL in any property comprised in or connected with the Managed Estate; and
- (h) 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 Agreement;
- (c) Financial Indebtedness outstanding pursuant to the PR Borrower Subordinated Loan;
- (d) Financial Indebtedness outstanding pursuant to the Loan Notes;
- (e) Financial Indebtedness incurred with the consent of the Security Trustee;
- (f) any other Financial Indebtedness permitted or envisaged by the Transaction Documents;
- (g) 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 Outside Payments other than those set out at clause 16.4(c) of the 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 Ambac has been obtained (if applicable) and the proceeds are used to repay the Term M Facility, the Term N1 Facility, the Term N2 Facility and/or the Term O Facility;
- (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 Agreement and the PR Deed 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 Outside Payments other than those set out at clause 16.4(c) of the 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 Outside Payment shall bear the meaning ascribed thereto in clause 16.4(b) of the Issuer/Borrower Facility Agreement;

PGEL Deed of Charge means the deed of charge and assignment executed by PGEL, the Security Trustee and various other parties on the Closing Date;

PGL means Punch Group Limited incorporated in England and Wales with registered number 3752645;

PGL Deed of Charge means the deed of assignment and Charge dated on or about the Closing Date between PGL, the Security Trustee and the Hedge Provider;

Portfolio means the PR Mortgaged Properties comprising the Estate;

Portfolio AGP means:

- (a) in relation to the Estate, the mean of the Pub Contribution for each Pub in the Estate (as determined by the Financial Adviser); and
- (b) in relation to the Acquisition Portfolio, the mean of the estimated Pub Contribution of each of the Pubs in the Acquisition Portfolio (as determined by the Financial Adviser);

Post Equity Offering Outside Payment Conditions shall bear the meaning ascribed hereto in clause 16.4(c) of the Issuer/Borrower Facility Agreement;

Potential Issuer Event of Default means the occurrence of any event which, with the giving of notice, any relevant certificate, lapse of time, determination of materiality (provided that the test of materiality upon which any such determination is made must already be satisfied or be reasonably likely to be satisfied) or fulfilment of any other condition (or any combination of the foregoing) might reasonably be expected to become an Issuer Event of Default;

Potential PR Event of Default means the occurrence of any event which with the giving of notice, any relevant certificate, the lapse of time, determination of materiality (provided that the test of materiality upon which any such determination is made must already be satisfied or be reasonably likely to be satisfied) or fulfilment of any other condition (or any combination of the foregoing) might reasonably be expected to become a PR Event of Default;

PR(AF)L Subordinated Loan means the subordinated loan advanced by PR FundCo pursuant to a subordinated loan agreement dated 15th May, 2003 made between the Company, the Security Trustee and certain others;

PR Borrower Subordinated Loan means the loan granted by PR FundCo in favour of the Borrower in the principal amount of £190,880,000 pursuant to a loan agreement dated on or about 28 June 2000 (the **PR Borrower Subordinated Loan Agreement**);

PR Charged Property means the Borrower's Charged Property and each Obligor's Charged Property or any of them as the context may require and including the New PR Mortgaged Property and the New PR Charged Property;

PR Deed of Charge means the deed of charge dated on or about the Closing Date between the Original Obligors (other than PRL), the Issuer and the Security Trustee;

PR Enforcement Notice means a notice given by the Note Trustee in accordance with clause 17.8 of the Issuer/Borrower Facility Agreement;

PR Event of Default means any of those events specified in clause 17.1 of the Issuer/Borrower Facility Agreement and, if applicable to the event in question, where the provisions of clauses 17.2 to 17.7 (inclusive) of the Issuer/Borrower Facility Agreement shall not have been complied with;

PR FundCo Guarantee and Debenture means the guarantee and debenture dated on or about the Closing Date between PR FundCo, the Issuer and the Security Trustee,;

PR FundCo means Punch Group (Retail Funding) Limited a company registered in England and Wales with registered number 3988701;

PR FundCo Charged Property means the whole of the right, title, benefit and interest of PR FundCo in and to the property, assets and rights of PR FundCo from time to time described in clause 3 of the PR FundCo Guarantee and Debenture;

PR FundCo Loan Agreement means the loan agreement dated 28 June 2000 between HoldCo as lender and PR FundCo as borrower;

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

Pre Equity Offering Outside Payment Conditions shall bear the meaning ascribed thereto in clause 16.4(b) of the Issuer/Borrower Facility Agreement;

Preliminary Offering Circulars means the Offering Circular dated 23 May 2000 and the Offering Circular dated 11 June 2000 and **Preliminary Offering Circular** shall mean either one of them;

Premium Letter means any premium letter issued in connection with the Insurance and Indemnity Agreement;

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

Principal Paying Agent means Citibank, N.A. or such other person from time to time appointed as the principal paying agent, subject to and in accordance with the terms of the Agency Agreement;

PRL means Punch Retail Limited a company registered in England and Wales with registered number 50484;

PRL Charged Property means the property, assets and rights of PRL which are the subject of security interests created by PRL in favour of the Security Trustee pursuant to clauses 3 and 4 of the PRL Deed of Charge;

PRL Deed of Charge means the deed of charge dated on or about the Closing Date between PRL, the Issuer and the Security Trustee;

PRL Intra Group Loans means the loans made by PRL to members of the Securitisation Group on the Closing Date pursuant to the Internal Punch Funds Flow Agreement dated the Closing Date;

PRL/PGL Intra Group Loan means the £30,000,000 loan facility made by PRL to PGL on the Closing Date;

PRL 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 PRL Deed of Charge, together with the PRL 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 PRL Deed of Charge or the PRL 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 **PRL Mortgaged Property** shall be construed accordingly;

PRL Scottish Properties means the heritable and leasehold properties situated in Scotland details of which are set out in Part 2 of Schedule 2 to the PRL Deed of Charge and **PRL Scottish Property** shall be construed accordingly;

PRL Secured Amounts means the moneys and liabilities which PRL covenants and undertakes in clause 2.1 of the PRL Deed of Charge to pay or discharge and all claims, demands and damages for breach of any such covenant, and references to the PRL Secured Amounts includes references to any of them;

PRL Secured Parties means:

- (a) the Issuer;
- (b) the Security Trustee;
- (c) any Receiver;
- (d) the Hedge Provider; and
- (e) PR FundCo;

and **PRL Secured Party** means any of them;

PRL Standard Securities means the standard securities granted over the PRL Scottish Properties or any other heritable or leasehold property in Scotland pursuant to clause 3.2 of the PRL Deed of Charge in either of the forms set out in Schedule 9 to the PRL Deed of Charge and **PRL Standard Security** shall be construed accordingly;

PR Mortgaged Properties means the New PR Mortgaged Properties and the freehold and leasehold properties in England and Wales details of which are set out in Part 1 of Schedule 2 to the Original PR Deed of Charge, together with the PR 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 Original PR Deed of Charge or the PR 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 **PR Mortgaged Property** shall be construed accordingly;

Property Adviser means any property adviser appointed by the Obligors pursuant to Clause 16.1(hh) of the Issuer/Borrower Facility Agreement;

Property Due Diligence Reports means (a) the property due diligence reports submitted by Slaughter and May to Freshfields relating to, inter alia, those of the PR Mortgaged Properties and the PRL Mortgaged Properties which have an existing registered title and those which are leasehold, the Certificates of Title and the Questionnaires, and (b) the Executive Summary on Property Due Diligence prepared by Freshfields;

Property Due Diligence Sample means a representative sample of 335 of the PR Mortgaged Properties selected according to EBITDA and location (300 in England and Wales and 35 in Scotland) for which Certificates of Title have been prepared;

PR Original Securities means the securities listed in Schedule 3 to the PR Deed of Charge and any other securities which with the prior written consent of the Security Trustee, may be substituted therefor together with any other rights, title, interest and benefit of the Obligor in any securities from time to time;

PR Scottish Properties means the heritable and leasehold properties situated in Scotland details of which are set out in Part 2 of Schedule 2 to the Original PR Deed of Charge and **PR Scottish Property** shall be construed accordingly;

PR Secured Amounts means the moneys and liabilities which each Obligor covenants and undertakes in clause 2 of the PR Deed of Charge to pay or discharge and all claims, demands and damages for breach of any such covenant, and references to the PR Secured Amounts includes references to any of them;

PR Secured Parties means:

- (a) the Issuer;
- (b) the Security Trustee;
- (c) any Receiver;
- (d) the Hedge Provider;
- (e) PRL;
- (f) PR FundCo; and
- (g) the Account Bank

and **PR Secured Party** means any of them;

PR Standard Securities means the standard securities granted over the PR Scottish Properties or any other heritable or leasehold property in Scotland pursuant to clause 3.2 of the Original PR Deed of Charge in either of the forms set out in Schedule 10 thereto or pursuant to

clause 3.2 of the PR Deed of Charge in either of the forms set out in Schedule 6 thereto and **PR Standard Security** shall be construed accordingly;

PR VAT Group means the group of companies for the purposes of section 43 Value Added Tax Act 1994 which as of the date hereof comprises, amongst others, the Borrower, CMSCo, PRL and Punch Retail (Holdings) Limited, and of which Punch Retail (Holdings) Limited is the representative member;

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 Contribution Multiple means A/B :

where:

A is the Net Pub Sale Proceeds received or to be received from the sale of any Pub; and

B is the Pub Contribution of that Pub;

Pub Industry Information Report means the report of Bain & Company Inc. addressed to the Issuer and included in the Final Offering Circular;

Pub Tenant means the tenant of a Pub who enters into a Lease Agreement or a New Lease Agreement with the Borrower;

Punch Claim Event means any non-payment by PGEL in respect of any monetary claim (or part of any such monetary claim) by the Security Trustee on behalf of the PR Secured Parties (or any of them) in respect of a breach by PGEL of the warranties and undertakings contained in clause 13.3 of the Issuer/Borrower Facility Agreement;

Punch Group means PGL and all of its subsidiaries;

Punch Group Entity means any member of the Punch Group;

Punch Retail Group means Punch Retail (Acquisition Finance) Limited (company number 3731233) and each of its subsidiaries from time to time excluding CMSCo and the Dormant Subsidiaries;

Punch Retail Group Entity means a member of the Punch Retail Group;

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
- (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);

Quarterly Report means a report in the form of the Schedule to the Servicing Agreement;

Quarterly Report Date means 45 days after the end of each Financial Quarter;

Questionnaires means the questionnaires in respect of each PR Mortgaged Property in the Property Due Diligence Sample and certain other PR Mortgaged Properties answered for or on behalf of the Borrower;

Quotation Date means, in relation to any period for which an interest rate is to be determined under the Transaction Documents, the day on which quotations would ordinarily be given on the relevant Telerate screen by prime banks in the London Interbank Market for deposits in sterling for delivery on the first day of that period, provided that, if for any such period quotations would ordinarily be given on the relevant Telerate Screen or by prime banks in the London Interbank Market for deposits in sterling on more than one date, the Quotation Date for that period shall be the last of those dates;

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;

Rates of Interest means the FRN Rate of Interest, the Class A2 Rate of Interest and the Class N2 Rate of Interest, as such terms are defined in Condition 4(d);

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, the PR Charged Property, the PRL Charged Property, the Holdco Charged Property, the PR FundCo Charged Property or the New PGEL Charged Property, as the context may require, by the Security Trustee under the Issuer Deed of Charge or the PR Deed of Charge, the New PGEL Deed of Charge, the PRL Deed of Charge, the HoldCo Covenant and Debenture or the PR FundCo Guarantee and Debenture as the context may require, or otherwise;

Reference Banks means the principal London office of each of Lloyds TSB Bank Plc, Barclays Bank PLC and HSBC or any bank that replaces any of them;

Registers of Scotland means the Land Register of Scotland and/or the General Register of Sasines;

Relevant Applicable Margin means the Applicable A1 Margin and/or the Applicable M Margin and/or the Applicable N1 Margin and/or the Applicable O Margin as the context so requires;

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 Class means at any time the most senior class of Notes outstanding at such time;

Relevant Documents means:

- (a) the Transaction Documents;
- (b) the Material Contracts;
- (c) the Allied Domecq Acquisition Documentation;
- (d) the Reorganisation Documentation;
- (e) the Intra-Group Loan Agreements; and
- (f) any other agreement or document, from time to time, agreed to be such by the Security Trustee and the Issuer;

Relevant Interest means in respect of the Original Class A1 Notes and the Original Class A2 Notes, payments of interest excluding any Class A1 Step-Up Amounts;

Relevant Parties means the parties to the Transaction Documents;

Relevant Pubs shall have the meaning ascribed thereto in clause 16.9(c) of the Issuer/Borrower Facility Agreement;

Relevant Time has the meaning ascribed thereto in the Master Amendment Deed;

Remaining Guarantors means each of the companies listed in Part 2 of Schedule 1 to the Master Amendment Deed;

Reorganisation means the transfer of the business and assets of the leased pub business, the managed pub business and the CMS business to the Borrower, ManCo and CMS Co respectively, together with the corporate restructuring carried out to arrange the Securitisation Group as described in the Offering Circular;

Reorganisation Documentation means the business transfer agreements between PRL, the Borrower, CMSCo and Punch Group (Retail Properties) Limited and the Intra-Group Supply Agreements, together with any ancillary documentation necessary to effect the Reorganisation;

Rolling Financial Basis means (1) on a rolling 4 Financial Quarter basis for the 4 Financial Quarters ended immediately prior to the date of on which the testing is done; and 2) the Financial Quarter ended immediately prior to the date on which the testing is done;

repay includes **redeem** and vice versa and cognate expressions shall be construed accordingly;

Replacement Notes means any notes issued pursuant to Condition 15(b);

Reports means:

- (a) the Auditors' Reports;
- (b) the Property Due Diligence Reports;
- (c) the Certificates of Title;
- (d) the Valuation Reports;
- (e) the AA Reports;
- (f) the KPMG Report;
- (g) the Slaughter and May Due Diligence Reports; and
- (h) the Pub Industry Information Report;

Requisite Rating means:

- (a) in relation to the Liquidity Facility Agreement and the Escrow Bank and the A2 Sinking Fund Account Bank, "A-1+/P-1/F1" (or its long term or short term equivalent) from S&P and Fitch and a long term rating of at least "Aa3" from Moody's or such other short term or long term rating as is commensurate with the equivalent long term rating assigned by the Rating Agencies to the highest ranking Notes then outstanding by the Rating Agencies from time to time or which is otherwise acceptable to such Rating Agencies; or
- (b) in relation to the Hedge Provider and/or the Account Bank, "A-1+/P-1/F1" (or its equivalent) by the Rating Agencies or such other long term rating as is commensurate with the rating assigned to the highest ranking Notes (or for so long as the Class A Notes are outstanding the Underlying Rating) then outstanding by the Rating Agencies from time to time;

Run Rate EBITDA means $\frac{B \times A}{C}$

Where

A is the unaudited EBITDA for the previous Financial Quarter, as certified by the Borrower to the Security Trustee having adjusted such EBITDA to include earnings attributable to any Permitted Acquisition made or CapEx expended in such Financial Quarter as if such Permitted Acquisition had been made or CapEx expended at the start of such Financial Quarter and to include any benefits received by the Securitisation Group under or pursuant to its contractual supply arrangements as a result of such Permitted Acquisition or CapEx as if such Permitted Acquisition had been made or CapEx expended at the start of such Financial Quarter;

B means 52 where the previous Financial Quarter fell in a 52 week Financial Year and 53 where the previous Financial Quarter fell in a 53 week Financial Year; and

C means the number of weeks in the previous Financial Quarter;

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

Schedule means, unless the context otherwise requires, the schedule hereto;

Scheduled Amortisation Amounts means the Class A2 Scheduled Amortisation Amounts and the Class N2 Scheduled Amortisation Amounts;

Scheduled A2 Repayment means in respect of a Loan Interest Payment Date set out in Part 1 of the Second Schedule to the Issuer/Borrower Facility Agreement, the respective amount set out opposite that Loan Interest Payment Date in Part 1 of the Second Schedule to the Issuer/Borrower Facility Agreement in relation to the Term A2 Facility (as amended from time to time);

Scheduled N2 Repayment means in respect of a Loan Interest Payment Date set out in Part 1 of the Second Schedule to the Issuer/Borrower Facility Agreement, the respective amount set out opposite that Loan Interest Payment Date in Part 1 of the Second Schedule to the Issuer/Borrower Facility Agreement in relation to the Term N2 Facility (as amended from time to time);

Scheduled New Repayment has the meaning given to it in clause 8.6 of the Issuer/Borrower Facility Agreement;

Scheduled Principal means (a) in respect of the Original Class A2 Notes, on any Interest Payment Date the amount of the Class A2 Scheduled Amortisation Amount set out opposite such Interest Payment Date in Condition 5(c)(i) together with (without double counting) the Final Redemption Amount payable in accordance with Condition 5(a)(ii) and (b) in respect of the Original Class A1 Notes, the Final Redemption Amount payable in accordance with Condition 5(a)(i), 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(b)(i), (ii) any optional redemption pursuant to Condition 5(d) (including, for the avoidance of doubt, any sums due pursuant to Condition 5(d)(iii)), (iii) any redemption pursuant to Condition 5(e), and (iv) any redemption for tax or other reasons pursuant to Condition 5(f);

Scheduled Repayment means a Scheduled A2 Repayment, a Scheduled N2 Repayment and a Scheduled New Repayment, as the case may be;

Scottish Declaration of Trust means each declaration of trust in respect of the Scottish Properties granted in favour of the Borrower in terms of clause 2.8 of the LeaseCo Business Transfer Agreement;

Scottish Properties means the PR Scottish Properties and the PRL Scottish Properties and **Scottish Property** shall be construed accordingly;

Scottish Supplemental Issuer Deed of Charge means any assignment in security made in favour of the Security Trustee pursuant to Clause 3.10 of the Issuer Deed of Charge substantially in the form set out in Schedule 3 to the Original Issuer Deed of Charge or in any other form agreed between the Security Trustee and the Issuer;

Scottish Trust Property has the meaning ascribed thereto in the LeaseCo Business Transfer Agreement;

section 349 Bank is a bank as defined for the purposes of section 349 Bank of the Income and Corporation Taxes Act 1988;

Second Supplemental PR Deed of Charge means the Supplemental Deed of Charge dated 3rd April, 2003 and made between the Borrower and the Security Trustee;

Securitisation Group means, on the Closing Date, Punch Retail (Acquisition Finance) Limited and its subsidiaries other than Punch Retail (Dormant Companies) Holdings Limited, the

Dormant Subsidiaries, CMSCo and Off Sales and thereafter any other company which grants security to the Security Trustee pursuant to the PR Deed of Charge, any deed supplemental to the PR Deed of Charge or the PR Standard Securities;

Security means the security from time to time constituted by or pursuant to the PR Deed of Charge, the PRL Deed of Charge and the New PGEL Deed of Charge, the HoldCo Covenant and Debenture and the PR FundCo Guarantee and Debenture.

Security Documents means:

- (a) the PR Deed of Charge;
- (b) the Issuer Deed of Charge (including the Supplemental Issuer Deed of Charge and any Scottish Supplemental Issuer Deed of Charge);
- (c) the PRL Deed of Charge;
- (d) the PR Standard Securities;
- (e) the PRL Standard Securities;
- (f) the HoldCo Covenant and Debenture;
- (g) the PR FundCo Guarantee and Debenture;
- (h) the New PGEL Deed of Charge;
- (i) the Supplemental PR Deed of Charge;

together with any other document or instrument granted in favour of the Security Trustee (on behalf of the PR Secured Parties, the PRL 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 Obligors or any of them under any of the Transaction Documents whether by way of personal covenant, charge, security interest, mortgage, standard security, pledge or otherwise, and **Security Document** shall be construed accordingly;

Security Providers means each of the Obligors, PR FundCo, Holdco, PGEL and the Charging Companies and **Security Provider** shall mean any of them;

Security Interest means any Encumbrance;

Security Trustee means Deutsche Trustee Company Limited (a company incorporated under laws of England and Wales and whose principal place of business is at Winchester House, 1 Great Winchester Street, London EC2N 2BD as the security trustee which expression includes its successors and assigns under the PR Deed of Charge or the Issuer Deed of Charge, as applicable;

Senior Liability means a liability of the type referred to in clause 5.2(a) to 5.2(m) (inclusive) of the Issuer Deed of Charge, and **Senior Liabilities** shall be construed accordingly;

Separation Date means 22 April 2002;

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

Servicing Agreement means the agreement dated on or about the Separation Date between the Issuer, the Borrower, the Servicer and various other parties;

Shareholders Agreement means the agreement between inter alios, the Management and the Equity Group in connection with the shareholding of PGL;

Shortfall means the amount by which the Senior Liabilities exceed the Issuer Available Funds;

Shortfall Amount means an amount on any Loan Interest Payment Date equal to the amount by which the aggregate of amounts required by the Borrower to make the payments or provisions in full in accordance with the order of priority set out in clause 8.1 of the PR Deed of Charge exceeds the aggregate credit balance of the Collection Account after deducting an amount equal to the aggregate debit balance of the Operating Accounts on the relevant Loan Interest Payment Date;

Slaughter and May Due Diligence Reports means each of the Reports set out in Part A of Schedule 4 of the Subscription Agreements;

Solvency Certificate means the certificate substantially in the form set out in the Sixth Schedule to the Original Issuer/Borrower Facility Agreement;

Solvent Reorganisation means a reconstruction or reorganisation of any Obligor or any member of the Securitisation Group where no member of the Punch Retail Group is insolvent at the time of the reconstruction or reorganisation;

Specified Office means the office of the Principal Paying Agent, the Luxembourg Paying Agent (being for those parties an office outside the United Kingdom) or the Agent Bank as set out in Schedule 1 to the Agency Agreement or as altered from time to time in accordance with that agreement;

Stamp Duty means all moneys (whether by way of duty or by way of interest or penalty on late presentation) required to be paid to the Commissioners of the Inland Revenue in respect of documents entered into in connection with the transfer or vesting of any assets to ensure that such documents are fully and properly stamped and which shall include any duty replacing stamp duty in whole or in part or any form of registration duty or tax relating to documents;

Step-Up Amounts means Term A1 Step-Up Amounts, Term M Step-Up Amounts, Term N1 Step-Up Amounts and Term O Step-Up Amounts;

Step-Up Date means the Loan Interest Payment Date falling in June 2005;

Subscription Agreements means the Class A Subscription Agreement, the Class M Subscription Agreement, the Class N Subscription Agreement and the Class O Subscription Agreement;

Supplemental 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 charged under the Supplemental Issuer Deed of Charge;

Supplemental Issuer Deed of Charge means the deed of charge dated the Separation Date made between inter alios the Issuer and the Security Trustee which is supplemental to the Issuer Deed of Charge;

Supplemental Issuer Security means the security in favour of the Security Trustee created under the Supplemental Issuer Deed of Charge;

Supplemental PR Deed of Charge means the deed of charge dated the Separation Date made between, inter alia, the Borrower and the Security Trustee which is supplemental to the PR Deed of Charge;

Supplemental PR Charged Property means the whole of the right, title, benefit and interest to the property, assets and rights charged under the Supplemental PR Deed of Charge;

Supplemental Tax Deed of Covenant means the deed of covenant dated 1 March 2002 made between, inter alia, the Issuer, PGL and the Security Trustee which is supplemental to the Tax Deed of Covenant;

Supply Agreements means the agreements set out in the Seventh Schedule to the Issuer/Borrower Facility Agreement;

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

SWAP Termination Agreement means the agreement terminating the Original Hedging Agreements entered into between the Hedge Provider, the Issuer and the Security Trustee on the Separation Date;

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 Parts F and 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;

Taxes means all present and future income and other taxes, levies, assessments, imposts, deductions, charges and withholdings whatsoever together with interest thereon, additions to tax and penalties and surcharges and fines with respect thereto, if any, and any payments made on or in respect thereof, and **Tax** and **Taxation** shall be construed accordingly;

Tax Deed of Covenant means the deed of covenant dated on or about the Closing Date made between the Issuer, each member of the Punch Group and the Security Trustee, and to which certain new companies became party pursuant to a deed of accession dated 1 March 2002;

Tax Loss Amount means an amount (to the extent received in cash) received by an Obligor from an Excluded Group Entity in consideration for the surrender of group relief as contemplated by Clause 16.5(c)(iv) of the Issuer/Borrower Facility Agreement;

Temporary Global Notes means the Class A1 Temporary Global Note, the Class A2 Temporary Global Note, the Class M Temporary Global Note, the Class N1 Temporary Global Note, the Class N2 Temporary Global Note and the Class O Temporary Global Note or, as the context may require, any combination of the same;

Tenancy Schedule means the tenancy schedule provided by the Borrower in respect of the Estate on the Closing Date to the Lead Manager set out in Part 1A of the Fifth Schedule to the Original Issuer/Borrower Facility Agreement;

Tenant means the tenant for the time being of a PR Mortgaged Property or a PRL Mortgaged Property pursuant to a Lease Agreement;

Term A Loans means the Term A1 Loan and the Term A2 Loan;

Term A Facilities means the Term A1 Facility and the Term A2 Facility;

Term Advance means a Term A1 Advance a Term A2 Advance, a Term M Advance, a Term N1 Advance, a Term N2 Advance or a Term O Advance (as the context may require);

Term A1 Facility shall bear the meaning ascribed to it in clause 2.1 of the Issuer/Borrower Facility Agreement;

Term A1 Loan means the aggregate principal amount for the time being outstanding under the Term A1 Facility;

Term A1 Advance means, save as otherwise provided, an advance made by the Issuer under the Term A1 Facility;

Term A1 Outstanding means, at any time, the aggregate principal amount of the Term A1 Advances which has not been fully repaid at that time;

Term A1 Step-Up Amounts means that proportion of the interest on the Term A1 Facility calculated by applying the Class A1 Step-Up Margin to the Term A1 Outstanding;

Term A2 Facility shall bear the meaning ascribed to it in clause 2.2 of the Issuer/Borrower Facility Agreement;

Term A2 Loan means the aggregate principal amount for the time being outstanding under the Term A2 Facility;

Term A2 Advance means, save as otherwise provided, an advance made by the Issuer under the Term A2 Facility;

Term A2 Outstanding means, at any time, the aggregate principal amount of the Term A2 Advances which has not been fully repaid at that time;

Term Facilities means the Term A1 Facility, the Term A2 Facility, the Term M Facility, the Term N1 Facility, the Term N2 Facility, the Term O Facility and any New Term Facility;

Term Loan means the aggregate principal amount for the time being outstanding under the Term Facilities;

Term M Advance means, save as otherwise provided, an advance made by the Issuer under the Term M Facility;

Term M Facility shall have the meaning ascribed to it in clause 2.3 of the Issuer/Borrower Facility Agreement;

Term M Loan means the aggregate principal amount for the time being outstanding under the Term M Facility;

Term M Outstanding means, at any time, the aggregate principal amount of any Term M Advances which has not been fully repaid at that time;

Term M Step-Up Amounts means that proportion of the Interest on the Term A1 Facility calculated by applying the Class M Step-Up Margin to the Term M Outstanding;

Term N1 Advance means, save as otherwise provided, an advance made by the Issuer under the Term N1 Facility;

Term N1 Facility shall have the meaning ascribed to it in clause 2.4 of the Issuer/Borrower Facility Agreement;

Term N1 Loan means the aggregate principal amount for the time being outstanding under the Term N1 Facility;

Term N1 Outstanding means, at any time, the aggregate principal amount of the Term N1 Advances which has not been fully repaid at that time;

Term N1 Step-Up Amounts means that proportion of the interest on the Term N1 Facility calculated by applying the Class N1 Step-Up Margin to the Term N1 Outstanding;

Term N2 Advance means, save as otherwise provided, an advance made by the Issuer under the Term N2 Facility;

Term N2 Facility shall have the meaning ascribed to it in clause 2.5 of the Issuer/Borrower Facility Agreement;

Term N2 Loan means the aggregate principal amount for the time being outstanding under the Term N2 Facility;

Term N2 Outstanding means, at any time, the aggregate principal amount of any Term N2 Advances which has not been fully repaid at that time;

Term O Advance means, save as otherwise provided, an advance made by the Issuer under the Term O Facility;

Term O Facility shall have the meaning ascribed to it in clause 2.6 of the Issuer/Borrower Facility Agreement;

Term O Loan means the aggregate principal amount for the time being outstanding under the Term O Facility;

Term O Outstanding means, at any time, the aggregate principal amount of any Term O Advance which has not been fully repaid at that time;

Term O Step-Up Amounts means that proportion of the interest on the Term O Facility calculated by applying the Class O Step-Up Margin to the Term O Outstanding;

Term Repayment Date means, as the context may require, the Final Maturity Date in respect of the Term A1 Facility, the Term A2 Facility, the Term M Facility, the Term N1 Facility, the Term N2 Facility or the Term O Facility;

Threshold Amount means the amount determined in accordance with clause 3.16 of the Bank Agreement;

Tie Arrangements means the arrangements whereby a Pub Tenant is obliged to purchase alcoholic and non-alcoholic beverages pursuant to a Lease Agreement;

Tied Product means ale, lager and such other products in relation to the sale of which the Borrower generally ties its tenants,

Total Liquidity Commitments means, at any time, the aggregate amount of the Liquidity Commitments of all of the Liquidity Facility Providers at that time under the Liquidity Facility Agreement;

Total Liquidity Outstandings means, at any time, the aggregate of all Liquidity Facility Outstandings of the Liquidity Facility Providers at that time under the Liquidity Facility Agreement;

TPG means Texas Pacific Group;

Transaction Documents means:

- (a) the Issuer/Borrower Facility Agreement;
- (b) the PR Deed of Charge;
- (c) the PRL Deed of Charge;
- (d) the New PGEL Deed of Charge;

- (e) the Liquidity Facility Agreement;
- (f) this Amended Master Definitions and Construction Schedule;
- (g) the Trust Deed;
- (h) the *Hedging Agreements*;
- (i) the Servicing Agreement;
- (j) the Financial Advisory Services Agreement;
- (k) the Subscription Agreements;
- (l) the Bank Agreement;
- (m) the Agency Agreement;
- (n) the Tax Deed of Covenant;
- (o) the Corporate Services Agreement;
- (p) the Issuer Deed of Charge (including each Supplemental Issuer Deed of Charge);
- (q) the PR Standard Securities
- (r) the PRL Standard Securities;
- (s) the PR Borrower Subordinated Loan Agreement;
- (t) the Ambac Policy;
- (u) the Insurance and Indemnity Agreement;
- (v) the HoldCo Covenant and Debenture;
- (w) PR FundCo Guarantee and Debenture;
- (x) the Deed of Escrow;
- (y) the Master Deed of Amendment;
- (z) the Supplemental PR Deed of Charge; and
- (aa) the Supplemental Tax Deed of Covenant;
- (bb) the SWAP Termination Agreement,

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

Treaty on European Union means the Treaty of Rome of 25 March 1957, as amended by the Single European Act 1986 and the Maastricht Treaty (which was signed at Maastricht on 7 February 1992 and came into force on 1 November 1993) as amended from time to time;

trust corporation means a corporation entitled by rules made under the Public Trustee Act 1906, or entitled pursuant to any comparable legislation applicable to a trustee in any jurisdiction, to carry out the functions of a custodian trustee;

Trust Deed means the trust deed dated on or about the Closing Date between the Issuer, Ambac and the Note Trustee constituting the Notes, together with any deed supplemental thereto;

Trustee Act means the Trustee Act 2000;

Underlying Rating means the underlying rating given or which would be given, by the Rating Agencies to the Class A Notes, disregarding the benefit of the Ambac Policy;

Valuation Report means the report in respect of the Estate dated 28 June 2000 of DTZ Debenham Tie Leung Limited, in form and substance satisfactory to the Security Trustee and relating to the valuation of the PR Mortgaged Properties and the PRL Mortgaged Properties and upon which the Issuer, the Security Trustee and the Managers may rely;

Valuer means either:

- (a) Debenham DTZ Tie Leung Limited;
- (b) a valuer of national repute appointed by the Borrower with the prior written consent of the Security Trustee;

VPR Share means one ordinary share of £1 in the capital of the Borrower paid up as to £1 and as to a premium of £291,777,844.55 and issued pursuant to the Framework Agreement on 15th May, 2003;

WAR Period has the meaning given thereto in the Clause 16.9(a) of the Issuer/Borrower Facility Agreement;

Weighted Average Return has the meaning given thereto in Clause 16.9(a) of the Issuer/Borrower Facility Agreement;

Yield Test in respect of an acquisition is:

- (a) the amount of any Permitted Acquisition Funds used for such acquisition applied from the Disposal Proceeds Account does not exceed the lesser of the total purchase price of the Permitted Business to be acquired and the aggregate of the Anticipated Amounts of the Pubs in the Acquisition Portfolio (any excess purchase price to be funded from Excess Cash and/or following the completion of an Equity Offering, all or part of the Equity Offering Amount deposited in the Maintenance CapEx Account pursuant to Clause 16.1(jj) and/or amounts which could otherwise have been used to make Permitted Outside Payments and/or further subordinated indebtedness and/or equity and/or a further Term Facility or New Term Facility); and
- (b) on the Financial Quarter Date falling immediately prior to the relevant acquisition, the Portfolio AGP of the Acquisition Portfolio and the Portfolio AGP for each of the Acquisition Portfolios acquired since the Closing Date is equal to or greater than the Portfolio AGP of the Portfolio at the Closing Date;

1925 Act means the Law of Property Act 1925; and

2000 ISDA Definitions means the definitions issued in 2000 by the International Swaps & Derivatives Association Inc. (formerly known as the International Swap Dealers Association Inc.) as supplemented, amended or replaced from time to time.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03982429

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A THIRD SUPPLEMENTAL DEED OF CHARGE DATED THE 15th MAY 2003 AND CREATED BY PUNCH RETAIL (FUNDING HOLDINGS) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE SECURITY TRUSTEE (WHETHER FOR ITS OWN ACCOUNT OR AS TRUSTEE FOR THE PR SECURED PARTIES) OR ANY OF THE OTHER PR SECURED PARTIES ON ANY ACCOUNT WHATSOEVER 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 2nd JUNE 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 5th JUNE 2003.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —