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

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

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

2111

04887979

Name of company

* Mitchells & Butlers Retail Holdings Limited (the "Chargor")

Date of creation of the charge

13 November 2003

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

A security over shares deed dated 13 November 2003 made between Mitchells & Butlers Holdings Limited ("MBHL"), Mitchells & Butlers Leisure Holdings Limited ("MBLHL"), the Chargor and Mitchells & Butlers Retail Limited (the "Chargee") (the "MAB Group Security Over Shares Deed")

Amount secured by the mortgage or charge

The payment and discharge of the obligations of the Chargor, in favour of the Chargee, to make payment in accordance with the representations and undertakings given by the Chargor under Clause 12.5 of the Tax Deed of Covenant (the "MBRHL Secured Obligations").

A list of defined terms used in this form 394 is set out in Schedule 1 attached.

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

Mitchells & Butlers Retail Limited (Company No: 00024542), 27 Fleet Street, Birmingham, West Midlands

Postcode B3 1JP

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

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ
(via CH London Counter)

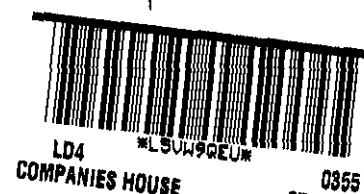
London-2/1525556

Time critical-reference

CLY/R0021/05684/AJF

For official Use
Mortgage Section

Post room



0355
27/11/03

Short particulars of all the property mortgaged or charged

Please see Schedule 2 attached.

A list of defined terms used in this form 395 is set out in Schedule 1 attached.

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

Particulars as to commission allowance or discount (note 3)

NONE

Signed

Clifford Chance LLP

Date 26/11/2003

On behalf of ~~XXXXXX~~ [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

Schedule to Form 395 relating to the Security Over Shares Deed entered into by Mitchells & Butlers Retail Holdings Limited (Company No: 04887979) dated 13 November 2003

SCHEDULE 1

DEFINITIONS

In this form 395:

"Account Bank and Cash Management Agreement" means the account bank and cash management agreement dated on or about the Closing Date and made between the Obligors, the Account Banks, the Cash Manager, the Issuer, the Trustee and the Borrower Security Trustee;

"Account Banks" means the Transaction Account Bank and the Operating Account Bank and **"Account Bank"** shall be construed accordingly;

"Additional Borrower" means any Eligible Borrower who has become an Additional Borrower in accordance with Clause 6 (*Additional Borrowers*) of the Issuer/Borrower Facility Agreement;

"Additional Chargor" means any Eligible Chargor who has become a Chargor in accordance with Clause 36.6 (*Additional Chargors*) of the Borrower Deed of Charge;

"Additional Standard Security" means a Standard Security executed after the Closing Date;

"Ambac" means Ambac Assurance UK Limited, a limited liability company incorporated under the laws of England and Wales with registered number 3248674 and having its registered office at Hasilwood House, 60 Bishopsgate, London EC2N 4BE;

"Ambac Event of Default" means each of the following events:

- (a) any Guaranteed Amount (as defined in the Financial Guarantee) which is due for payment, is unpaid by reason of non-payment and is not paid by Ambac on the due date for payment by Ambac in accordance with the Financial Guarantee;
- (b) Ambac disclaims, disaffirms, repudiates and/or challenges the validity of any of its obligations under the Financial Guarantee or seeks to do so;
- (c) a court of competent jurisdiction enters a final and non-appealable order, judgment or decree for the winding-up, or the appointment of an administrator or receiver (including an administration receiver or manager) of Ambac (or, as the case may be, of a material part of its property or assets); or

Ambac:

- (d) presents any petition or takes any proceedings or gives any notice 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

- (e) makes or enters into any general assignment, composition, arrangement (including a voluntary arrangement under Part 1 of the Insolvency Act 1986) or compromise with or for the benefit of any of its creditors; or
- (f) becomes unable to pay its debts within the meaning of Section 123(2) or Section 123(1)(e) of the Insolvency Act 1986 or admits in writing its inability, or fails generally, to pay its debts as they become due;

"Borrower Deed of Charge" means the deed of charge dated on the 13 November 2003 made between *inter alios*, the Chargor and the Chargee;

"Borrowers" means the Initial Borrower and any Additional Borrower;

"Borrower Secured Creditors" means:

- (a) the Borrower Security Trustee (for itself and for and on behalf of the other Borrower Secured Creditors);
- (b) the Issuer;
- (c) the Cash Manager;
- (d) the Account Banks;
- (e) the Working Capital Facility Provider, any working capital facility agent and working capital facility arranger under the Working Capital Facility Agreement;
- (f) the Non-Securitisation Co.s;
- (g) Service Co;
- (h) Management Co;
- (i) Old Kentucky Restaurants Limited;
- (j) Option Co;
- (k) any Receiver appointed under the Borrower Deed of Charge; and
- (l) any such other creditor who may accede to the Borrower Deed of Charge from time to time in accordance with the terms thereof and is designated as a Borrower Secured Creditor;

"Borrower Secured Liabilities" means the aggregate of all obligations, monies and liabilities (including the unpaid balance of every sum (of principal, interest or otherwise), any liability in respect of any Term Advances, whether present or future, actual or contingent (and whether incurred by an Obligor solely or jointly with one or more Obligor(s) and whether as principal or as surety or in some other capacity and under or in respect of any guarantees), which from time to time are or may become due, owing or payable by the Obligors to the Borrower Security Trustee (whether for its own account or as trustee for the Borrower

Secured Creditors) or any of the other Borrower Secured Creditors under any of the Borrower Transaction Documents;

"Borrower Security Documents" means:

- (a) the Borrower Deed of Charge;
- (b) any Chargor Security Accession Deed;
- (c) the Standard Securities;
- (d) any power of attorney executed and delivered by the Chargors pursuant to the terms of any Borrower Security Document; and
- (e) any other document or instrument granted in favour of the Borrower Security Trustee (on behalf of the Borrower Secured Creditors) creating or evidencing the security for all or any part of the Borrower Secured Liabilities;

"Borrower Security Trustee" means HSBC Trustee (C.I.) Limited a limited liability company incorporated in Jersey and having its registered office at P.O. Box 88, 1 Grenville Street, St. Helier, Jersey JE4 9PF, Channel Islands, as security trustee for the Borrower Secured Creditors, or such other entity or entities appointed as security trustee for the Borrower Secured Creditors from time to time, subject to and in accordance with the terms of the Borrower Deed of Charge;

"Borrower Transaction Documents" means each or any of:

- (a) the Issuer/Borrower Facility Agreement;
- (b) the Borrower Deed of Charge;
- (c) the Initial Standard Securities;
- (d) the Additional Standard Securities;
- (e) the Issuer/Borrower Swap Agreement;
- (f) the Indemnification Agreement;
- (g) the Guarantee and Reimbursement Agreement;
- (h) the Account Bank and Cash Management Agreement;
- (i) the Working Capital Facility Agreement;
- (j) the Intra Group Supply Agreement;
- (k) the Management Services Agreement;
- (l) the Licences;
- (m) the Trade Mark Assignment Agreements;

- (n) the Call Option;
- (o) the Pension Deeds of Covenant;
- (p) the Tax Deed of Covenant;
- (q) the Security over Shares Deeds;
- (r) the MAB Declaration of Trust;
- (s) the Subscription Agreement;
- (t) the Master Framework Agreement; and
- (u) any other agreement, instrument or deed designated as such by the Chargors and the Borrower Security Trustee;

"Call Option" means the call option deed dated on or about the Closing Date between Old Kentucky Restaurants Limited, Option Co, the Initial Borrower, Service Co and the Borrower Security Trustee;

"Cash Manager" means Mitchells & Butlers Leisure Retail Limited, a private limited company incorporated in England and Wales with registered number 01001181 acting through its registered office at 27 Fleet Street, Birmingham, West Midlands B3 1JP, as cash manager for the Obligors and the Issuer, or such other entity or entities appointed as cash manager for the Obligors and the Issuer from time to time, subject to and in accordance with the terms of the Account Bank and Cash Management Agreement;

"Charged Portfolio" means the Shares and the Related Assets;

"Charged Property" means the property, assets, rights and undertaking of each of the Chargors that are the subject of the Security Interests created in or pursuant to the Borrower Security Documents;

"Chargor Security Accession Deed" means a deed of accession executed by an Eligible Chargor in form satisfactory to the Borrower Security Trustee pursuant to which such Eligible Chargor becomes party to the Borrower Deed of Charge as a Chargor;

"Chargors" means each of the Obligors and the Excluded Group Entity Property Owners, together with any Eligible Chargor that accedes to the Borrower Deed of Charge;

"Class A Noteholders" means the holders of any Class A Notes;

"Class A Notes" means the Class A1 Notes, the Class A2 Notes and the Class A3 Notes;

"Class A1 Definitive Notes" means any Class A1 Notes issued in definitive bearer form;

"Class A1 Notes" means the £200,000,000 Class A1 Secured Floating Rate Notes due 2030 of the Issuer constituted by the Trust Deed and any Further Class A1 Notes;

"Class A2 Definitive Notes" means any Class A2 Notes issued in definitive bearer form;

"Class A2 Notes" means the £550,000,000 Class A2 Secured 5.574 per cent. Notes due 2030 of the Issuer constituted by the Trust Deed and any Further Class A2 Notes;

"Class A3 Definitive Notes" means any Class A3 Notes issued in definitive bearer form;

"Class A3 Notes" means the \$418,750,000 Class A3 Secured Floating Rate Notes due 2030 of the Issuer constituted by the Trust Deed and any Further Class A3 Notes;

"Class B Noteholders" means the holders of any Class B Notes;

"Class B Notes" means the Class B1 Notes together with the Class B2 Notes;

"Class B1 Definitive Notes" means any Class B1 Notes issued in definitive bearer form;

"Class B1 Notes" means the £350,000,000 Class B1 Secured 5.965 per cent. Notes due 2025 of the Issuer constituted by the Trust Deed and any Further Class B1 Notes;

"Class B2 Definitive Notes" means any Class B2 Notes issued in definitive bearer form;

"Class B2 Notes" means the £350,000,000 Class B2 Secured 6.013 per cent. Notes due 2030 of the Issuer constituted by the Trust Deed and any Further Class B2 Notes;

"Class C Definitive Notes" means any Class C Notes issued in definitive bearer form;

"Class C Noteholders" means the holders of any Class C Notes;

"Class C Notes" means the £200,000,000 Class C Secured 6.469 per cent. Notes due 2032 of the Issuer constituted by the Trust Deed and any Further Class C Notes;

"Closing Date" means 13 November 2003 (or such later date as may be agreed between the Issuer and The Royal Bank of Scotland plc);

"Collateral Rights" means (a) all rights, powers and remedies of the Trustee provided by or pursuant to the Issuer Security Documents (as listed in the Master Framework Agreement) or by law or, as the case may require (b) all rights, powers and remedies of the Borrower Security Trustee provided by or pursuant to the Borrower Security Documents or by law;

"Conditions" means the terms and conditions of the Notes as scheduled to the Trust Deed as the same may be modified in accordance with the Trust Deed, and any reference to a numbered **"Condition"** is to the correspondingly numbered provision thereof;

"Controlling Creditor" means (i) for so long as the Class A Notes are outstanding (or amounts are due to Ambac under the Guarantee and Reimbursement Agreement) and providing that no Ambac Event of Default has occurred (which is continuing) and the Financial Guarantee is in full force and effect, Ambac or (ii) failing (i), the Trustee;

"Definitive Notes" means the Class A1 Definitive Notes, the Class A2 Definitive Notes, the Class A3 Definitive Notes, the Class B1 Definitive Notes, the Class B2 Definitive Notes and the Class C Definitive Notes and any New Notes issued in definitive form;

"Eligible Bank" means an authorised institution under the Financial Services and Markets Act 2000 the short term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least the Minimum Short-Term Ratings;

"Eligible Borrower" means, at any time, a company incorporated and tax resident in the United Kingdom that is a direct or indirect subsidiary of the Chargor (including as a result of a Permitted Acquisition);

"Eligible Chargor" means, at any time, any company which becomes a direct or indirect subsidiary of the Chargor or a company whose shares are charged in favour of the Borrower Security Trustee;

"Encumbrance" means:

- (a) a mortgage, charge, security, pledge, lien, assignment, standard security, assignation or other encumbrance securing any obligation of any person or any agreement or arrangement having a similar effect (including any title transfer and retention arrangement); or
- (b) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person;

"English Real Property" means the real or leasehold properties specified in Part 1 of Schedule 1 (*Details of Real Property*) to the Borrower Deed of Charge and any other real or leasehold property situated in England, title to which is held by a Chargor either on or after the Closing Date;

"Excluded Group Entity Property Owners" means Browns Restaurants Limited, Browns Restaurant (Brighton) Limited, Browns Restaurant (Bristol) Limited, Browns Restaurant (Cambridge) Limited, Browns Restaurant (Oxford) Limited, Browns Restaurant (London) Limited, Mitchells & Butlers Leisure Entertainment Limited and Milton Keynes Entertainment Company Limited;

"Fitch" means Fitch Ratings Limited or any successor to its ratings business;

"Further Class A Notes" has the meaning given to it in Condition 19(a) (*Further and New Note Issues - Further Notes and New Notes*);

"Further Class A1 Notes" has the meaning given to it in Condition 19(a) (*Further and New Note Issues - Further Notes and New Notes*);

"Further Class A2 Notes" has the meaning given to it in Condition 19(a) (*Further and New Note Issues - Further Notes and New Notes*);

"Further Class A3 Notes" has the meaning given to it in Condition 19(a) (*Further and New Note Issues - Further Notes and New Notes*);

"Further Class B Notes" has the meaning given to it in Condition 19(a) (*Further and New Note Issues - Further Notes and New Notes*);

"Further Class B1 Notes" has the meaning given to it in Condition 19(a) (*Further and New Note Issues - Further Notes and New Notes*);

"Further Class B2 Notes" has the meaning given to it in Condition 19(a) (*Further and New Note Issues - Further Notes and New Notes*);

"Further Class C Notes" has the meaning given to it in Condition 19(a) (*Further and New Note Issues - Further Notes and New Notes*);

"Further Notes" has the meaning given to it in Condition 19(a) (*Further and New Note Issues - Further Notes and New Notes*);

"Further Term A1 Advance" means a Further Term Advance under the Further Term A1 Facility;

"Further Term A2 Advance" means a Further Term Advance under the Further Term A2 Facility;

"Further Term A3 Advance" means a Further Term Advance under the Further Term A3 Facility;

"Further Term Advance" means any advance made under a Further Term Facility;

"Further Term B1 Advance" means a Further Term Advance under the Further Term B1 Facility;

"Further Term B2 Advance" means a Further Term Advance under the Further Term B2 Facility;

"Further Term C Advance" means a Further Term Advance under the Further Term C Facility;

"Further Term A1 Facility" means a Further Term Facility available to the Borrowers pursuant to Clause 2.2.1 of the Issuer/Borrower Facility Agreement;

"Further Term A2 Facility" means a Further Term Facility available to the Borrowers pursuant to Clause 2.2.2 of the Issuer/Borrower Facility Agreement;

"Further Term A3 Facility" means a Further Term Facility available to the Borrowers pursuant to Clause 2.2.3 of the Issuer/Borrower Facility Agreement;

"Further Term Facility" means a further term facility which may be requested by the Initial Borrower and/or any Additional Borrower at any time by written notice to the Issuer (with a copy to the Borrower Security Trustee and the Rating Agencies) ranking *pari passu* with the relevant Initial Term Facility pursuant to Clause 2.4 (*Request for an Additional Term Facility*) of the Issuer/Borrower Facility Agreement and is made available to such Borrower by the

Issuer in accordance with and subject to Clause 2.5 (*Granting of an Additional Term Facility*) of the Issuer/Borrower Facility Agreement;

"General IP Assignment Agreement" means the deed of assignment dated 6 November 2003 between the Initial Borrower and Service Co;

"General IP Licence Agreement" means the agreement dated on or about the Closing Date between Service Co and the Initial Borrower;

"Guarantee and Reimbursement Agreement" means the guarantee and reimbursement agreement dated on or about the Closing Date and made between the Issuer, the Initial Borrower and Ambac;

"Holdings Account" means the account known as the "Holdings Account" and held in the name of Mitchells & Butlers Retail Limited, and maintained with the Transaction Account Bank pursuant to the Account Bank and Cash Management Agreement and having account number 10819476 and sort code 20-09-03, or such other account as may be opened in accordance with Clause 4 (*Operation of the Accounts*) of the Account Bank and Cash Management Agreement at any branch of an Account Bank or at bank which is an Eligible Bank and a Qualifying Bank in replacement of such account;

"Incidental Mortgaged Property" means, the assets and undertaking of a Property Owner (excluding any Mortgaged Property) connected with or carried on at a Mortgaged Property and owned by the relevant Property Owner (including any goodwill, fixtures, fittings and other assets located at such Mortgaged Property or used in the business conducted there);

"Indemnification Agreement" means the indemnification agreement dated on or about 7 November 2003 and made between, *inter alios*, the Issuer, the Initial Borrower and Ambac;

"Initial Borrower" means Mitchells & Butlers Retail Limited;

"Initial Borrower Old TMs Licence Agreement" means the agreement dated on or about the Closing Date between Old Kentucky Restaurants Limited and the Initial Borrower;

"Initial Standard Security" means a Standard Security executed prior to or on or about the Closing Date;

"Initial Term Advance" means any advance made under the Initial Term Facility;

"Initial Term A1 Facility" has the meaning given to it in Clause 2.1.1 of the Issuer/Borrower Facility Agreement;

"Initial Term A2 Facility" has the meaning given to it in Clause 2.1.2 of the Issuer/Borrower Facility Agreement;

"Initial Term A3 Facility" has the meaning given to it in Clause 2.1.3 of the Issuer/Borrower Facility Agreement;

"Initial Term B1 Facility" has the meaning given to it in Clause 2.1.4 of the Issuer/Borrower Facility Agreement;

"Initial Term B2 Facility" has the meaning given to it in Clause 2.1.5 of the Issuer/Borrower Facility Agreement;

"Initial Term C Facility" has the meaning given to it in Clause 2.1.6 of the Issuer/Borrower Facility Agreement;

"Initial Term Facility" means a term facility granted by the Issuer to the Initial Borrower on the Closing Date pursuant to Clause 2.1 (*Initial Term Facilities*) of the Issuer/Borrower Facility Agreement;

"Intellectual Property Rights" means copyright, patents, database rights and rights in know-how, trade marks, get-up and the theme and formatting of trading outlets, and registered designs and design rights (each whether registered or unregistered), applications for registration and the right to apply for registration for any of the foregoing, and all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world;

"Intra Group Supply Agreement" means the intra group supply agreement dated 6 November 2003 between the Initial Borrower and Service Co to which the Borrower Security Trustee has acceded;

"Investments" means at any time, in respect of the Chargor:

- (a) any stocks, shares, debentures, securities and certificates of deposit (whether registered or unregistered including applications for registration on any stocks, shares, debentures, securities or certificates of deposit, but excluding the Shares or any interest in any Notes (as defined in the Master Framework Agreement));
- (b) all interests in collective investment schemes; and
- (c) all warrants, options and other rights to subscribe or acquire any of the investments described in paragraphs (a) and (b),

in each case whether held directly by or to the order of the Chargor or by any trustee, nominee, fiduciary or clearance system on its behalf;

"Issuer" means Mitchells & Butlers Finance plc,;

"Issuer/Borrower Facility Agreement" means the secured facility agreement dated on or about the Closing Date and made between the Issuer, the Obligors, the Cash Manager and the Borrower Security Trustee;

"Issuer/Borrower Swap Agreement" means the interest rate swap agreement dated on or about the Closing Date and made between the Issuer and the Initial Borrower entered into in relation to the pre-hedge and to be amended on the Closing Date;

"Issuer Deed of Charge" means the deed of charge dated on or about the Closing Date and made between, *inter alios*, the Issuer, the Liquidity Facility Provider, Ambac, the Swap Counterparty, the Cash Manager, the Account Banks, the Paying Agents, the Agent Bank and

the Trustee and includes, where the context so admits, any deed or other document expressed to be supplemental thereto or any amendments or modifications made thereto;

"Lease" means any present or future lease, underlease, sub-lease, licence, agreement, option, tenancy or right to occupy in each case howsoever described whether on a fixed term or periodic basis governing the use or occupation of any freehold, heritable or leasehold property or any part of it;

"Licences" means the General IP Licence Agreement, the Old TMs Licence Agreements, the MandB TMs Licence Agreement and any other licences in respect of Intellectual Property Rights or business know how granted to the Initial Borrower on or after the Closing Date including pursuant to the Call Option;

"MAB" means Mitchells & Butlers plc;

"MAB Declaration of Trust" means the declaration of trust dated on or about the Closing Date in favour of the Initial Borrower;

"MAB Security over Shares Deed" means a security over shares deed dated on or about the Closing Date and made between Mitchells & Butlers Holdings Limited, MAB and the Initial Borrower;

"MandB TMs Assignment Agreement" means the deed of assignment dated 6 November 2003 between the Initial Borrower and MAB;

"MandB TMs Licence Agreement" means the agreement dated on or about the Closing Date between MAB and the Initial Borrower;

"Management Co" means Mitchells & Butlers Leisure Retail Limited;

"Management Services Agreement" means the management services agreement dated 6 November 2003 and made between Management Co and the Initial Borrower to which the Borrower Security Trustee has acceded;

"Master Framework Agreement" means the master framework agreement dated 13 November 2003 made between *inter alios*, the Chargor and the Chargee;

"MBHL Security over Shares Deed" means a security over shares deed dated on or about the Closing Date and made between Mitchells & Butlers Holdings Limited, the Non-Securitisation Co.s and the Initial Borrower;

"MBLHL Charged Shares" means all of the shares in the share capital of MBRHL held by, to the order or on behalf of MBLHL at any time;

"MBRHL Charged Portfolio" means the MBRHL Charged Shares and their Related Assets;

"MBRHL Charged Shares" means all of the shares in the share capital of MBRL held by, to the order or on behalf of the Chargor at any time;

"Minimum Short-Term Ratings" means, in respect of any person, such person's short term unsecured, unsubordinated and unguaranteed debt obligations being rated at least F-1 by Fitch, at least P-1 by Moody's and at least A-1 by S&P;

"Moody's" means Moody's Investor Services Limited or any successor to its rating business;

"Mortgaged Property" means a freehold, leasehold or heritable property interest over which a Chargor has granted a mortgage, fixed charge, floating charge or Standard Security (as applicable) pursuant to the terms of the Borrower Security Documents and all right, title and interest of the Initial Borrower in the Queen Mary Ship over which the Initial Borrower has granted a fixed charge pursuant to the terms of the Borrower Deed of Charge;

"New Notes" has the meaning given to it in Condition 19(a) (*Further and New Note Issues - Further Notes and New Notes*);

"New Term Advance" means any advance made under a New Term Facility;

"New Term Facility" means a new term facility which may be requested by a Borrower at any time by written notice to the Issuer (with a copy to the Borrower Security Trustee, the Rating Agencies, Moody's and Ambac (for so long as Ambac is the Controlling Creditor)) and which can rank higher than the Term A Facilities or which can rank *pari passu* with the existing Term A Facilities provided that Ambac (for so long as Ambac is the Controlling Creditor) has provided its prior written consent or below the Term A Facility but ahead of the Term B Facilities or *pari passu* with the existing Term B Facility or below the Term B Facility but ahead of the Term C Facility or *pari passu* with or below the Term C Facility pursuant to Clause 2.4 (*Request for an Additional Term Facility*) of the Issuer/Borrower Facility Agreement and made available to such Borrower by the Issuer in accordance with and subject to Clause 2.5 (*Granting of an Additional Term Facility*) of the Issuer/Borrower Facility Agreement;

"Non-Securitisation Co.s" means Mitchells & Butlers Retail (No 2) Limited and Mitchells & Butlers Property Limited;

"Noteholders" means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and, if and to the extent that any Further Notes or New Notes are issued, includes the holders of any Further Notes or New Notes and, in relation to any Definitive Notes, the bearer of those Definitive Notes;

"Notes" means the Class A Notes, the Class B Notes, the Class C Notes and includes any New Notes issued pursuant to Condition 19 (*Further and New Note Issues*);

"Obligors" means the Initial Borrower, the Chargor and, where the context requires, includes any Additional Borrower;

"Old TMs Assignment Agreement" means the deed of assignment dated 6 November 2003 between the Initial Borrower and Old Kentucky Restaurants Limited;

"Old TMs Licence Agreements" means the Initial Borrower Old TMs Licence Agreement and the Service Co Old TMs Licence Agreement;

"Operating Account Bank" means Alliance & Leicester Commercial Bank plc acting through its office at Bridle Road, Merseyside, Bootle, GIR OAA as operating account bank on behalf of the Initial Borrower or such other entity or entities appointed as Operating Account Bank from time to time, subject to and in accordance with the terms of the Account Bank and Cash Management Agreement;

"Option Co" means Mitchells & Butlers (IP) Limited;

"Pension Deeds of Covenant" means the Pension Deed of Covenant relating to the Mitchells & Butlers Pension Plan dated on or about the Closing Date between Mitchells & Butlers plc, Mitchells & Butlers Retail Limited and HSBC Trustee (C.I.) Limited and the Pension Deed of Covenant relating to the Mitchells & Butlers Executive Pension Plan dated on or about the Closing Date between Mitchells & Butlers plc, Mitchells & Butlers Retail Limited and HSBC Trustee (C.I.) Limited;

"Permitted Acquisition" means any acquisition (including any acquisition as part of the substitution of a Mortgaged Property being disposed of for a replacement property) by a Borrower of:

- (a) any business entity carrying on a Permitted Business, whether or not as a going concern; or
- (b) any new Real Property but including any Incidental Mortgaged Property;

"Permitted Business" means a business centred around hospitality, catering, pub/restaurant or pub businesses, whether managed, leased or tenanted, including bars, nightclubs, catering and other incidental services, accommodation and bowling facilities and includes, for the avoidance of doubt, a new property as part of such business which is to be a Mortgaged Property;

"Property Owners" means the Excluded Group Entity Property Owners together with each Borrower and each Additional Chargor having a property interest in any of the Mortgaged Properties;

"Qualifying Bank" means an institution which is a bank for the purposes of Section 349 of the Income and Corporation Taxes Act 1988;

"Queen Mary Ship" means the maritime structure known as the "T.S. Queen Mary" permanently moored at Waterloo Pier, Victoria Embankment, London WC2R 2PP which is operated as a restaurant;

"Rating Agencies" means Fitch and S&P and **"Rating Agency"** means any of them;

"Real Property" means, in respect of each Chargor:

- (a) the English Real Property;
- (b) the Scottish Heritable Property;

- (c) all other freehold, heritable or leasehold property (or the equivalent thereto) in any jurisdiction now or in the future owned by each Property Owner or in which such Property Owner has an interest; and
- (d) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated or forming part of any such property specified in paragraphs (a) to (c);

"Receiver" means any receiver, manager, receiver and manager or administrative receiver who (in the case of an administrative receiver) is a qualified person in accordance with the Insolvency Act 1986 and who is appointed by the Borrower Security Trustee under Clause 29 (*Appointment of Receiver and Administrator*) of the Borrower Deed of Charge in respect of the whole or any part of the Charged Property or, as the case may be, by the Trustee under Clause 17 (*Appointment and Removal of Receiver or Administrator*) of the Issuer Deed of Charge in respect of the whole or any part of the property secured by the Issuer under the Issuer Deed of Charge;

"Related Assets" means, in relation to any Shares or Investments, all dividends, interest and other monies payable in respect of such Shares or Investments and all other rights, benefits and proceeds in respect of or derived from such Shares or Investments (whether by way of redemption, bonus, preference, option, substitution, conversion or otherwise);

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

"Scottish Heritable Property" means the heritable or leasehold properties specified in Part 2 of Schedule 1 (*Details of Real Property*) to the Borrower Deed of Charge and any other heritable or leasehold property situated in Scotland title to which is held by a Property Owner either on or after the Closing Date;

"Scottish Mortgaged Property" means a Scottish Heritable Property over which a Property Owner has granted a Standard Security;

"Security Interest" means any mortgage, standard security, pledge, lien, charge, floating charge, right of set-off, assignment, assignation, retention of title, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security;

"Security over Shares Deeds" means the MAB Security over Shares Deed, the MAB Group Security over Shares Deed and the MBHL Security over Shares Deed;

"Service Co" means Mitchells & Butlers Leisure Retail Limited;

"Service Co Old TMs Licence Agreement" means the agreement dated on or about the Closing Date between Old Kentucky Restaurants Limited and Service Co;

"Shares" means in respect of the Chargor, all the shares specified in Schedule 2 (*Details of Shares*) of the Borrower Deed of Charge; and

"Standard Security" means each standard security in terms of the Conveyancing and Feudal Reform (Scotland) Act 1970 granted over a Scottish Mortgaged Property pursuant to the

Borrower Deed of Charge substantially in the applicable form set out in Schedule 7 (*Form of Standard Security*) to the Borrower Deed of Charge;

"Subscription Agreement" means the subscription agreement dated 7 November 2003 and made between *inter alios* the Excluded Group Entity Property Owners, the Issuer, Mitchells & Butlers Leisure Holdings Limited and the Obligors;

"Supplemental Deed" means a deed supplemental to the Trust Deed entered into by the parties thereto;

"Tax Deed of Covenant" means the deed of covenant dated on 13 November 2003 and made between, *inter alios*, the Chargor and the Chargee.

"Term A Facility" means a Term A1 Facility, a Term A2 Facility and/or a Term A3 Facility;

"Term A1 Facility" means an Initial Term A1 Facility and/or a Further Term A1 Facility, as the context may require;

"Term A2 Facility" means an Initial Term A2 Facility and/or a Further Term A2 Facility, as the context may require;

"Term A3 Facility" means an Initial Term A3 Facility and/or a Further Term A3 Facility, as the context may require;

"Term Advance" means an Initial Term Advance, a Further Term Advance and/or a New Term Advance, as the context may require;

"Term B Facility" means a Term B1 Facility and/or a Term B2 Facility;

"Term B1 Facility" means an Initial Term B1 Facility and/or a Further Term B1 Facility, as the context may require;

"Term B2 Facility" means an Initial Term B2 Facility and/or a Further Term B2 Facility, as the context may require;

"Term C Facility" means an Initial Term C Facility and/or a Further Term C Facility, as the context may require;

"Trade Mark Assignment Agreements" means the General IP Assignment Agreement, the Old TMs Assignment Agreement and the MandB TMs Assignment Agreement;

"Transaction Account Bank" means Barclays Bank PLC acting through its office at 351/359 Soho Road, Birmingham B21 9JE, Birmingham, as transaction account bank to the Issuer and the Obligors or such other entity or entities appointed as Transaction Account Bank from time to time, subject to and in accordance with the terms of the Account Bank and Cash Management Agreement;

"Trust Deed" means the trust deed dated on or about the Closing Date between the Issuer, Ambac and the Trustee together with any Supplemental Deed and the Schedules thereto and

includes any deed or other document executed in accordance with the provisions thereof as expressed to be supplemental thereto;

"Trust Documents" means the Trust Deed and the Issuer Deed of Charge;

"Trustee" means HSBC Trustee (C.I.) Limited, a private limited company incorporated under the laws of Jersey and having its registered office at PO Box 88, 1 Grenville Street, St. Helier, Jersey JE4 9PF, Channel Islands in its capacity as Trustee under the Trust Deed or any successor trustee appointed pursuant to the Trust Deed for and on behalf of the relevant Noteholders;

"Working Capital Facility Agreement" means the working capital facility agreement dated on or about the Closing Date and made between the Borrower Security Trustee, the Working Capital Facility Provider, the Cash Manager, the Chargor and the Initial Borrower; and

"Working Capital Facility Provider" means The Royal Bank of Scotland plc in its capacity as working capital facility provider, acting through its office at 135 Bishopsgate, London EC2M 3UR or such other entity or entities appointed as working capital facility provider from time to time, subject to and in accordance with the terms of the Working Capital Facility Agreement.

SCHEDULE 2

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

ASSIGNMENTS, FIXED AND FLOATING CHARGES

A fixed subordinated charge with full title guarantee over all the Chargor's right, title and interest from time to time in the MBRHL Charged Shares and their Related Assets (the "MBRHL Charged Portfolio").

NEGATIVE COVENANTS

In the MAB Group Security Over Shares Deed, except with the Chargee's prior written consent, the Chargor has agreed not to, for the duration of the MAB Group Security Over Shares Deed:

- (a) assign or dispose of all or any part of its right title and interest in the Charged Portfolio (save to the extent permitted under the Borrower Security Documents); or
- (b) create, grant or permit to exist (a) any security interest over or (b) any restriction on the ability to transfer or realise, all or any part of the Charged Portfolio save (i) as created by the MAB Group Security Over Shares Deed and (ii) in the case of MBRHL Charged Portfolio, any Encumbrance arising under or permitted by the terms of the Borrower Transaction Documents.

FURTHER ASSURANCE

In the MAB Group Security Over Shares Deed, the Chargor has promptly executed all documents (including transfers) and do all things (including the delivery, transfer, assignment or payment of all or part of the MBRHL Charged Portfolio to the Chargee or its nominee(s)) that the Chargee may reasonably specify for the purpose of (a) exercising the Collateral Rights or (b) securing and perfecting its security over or title to all or any part of the MBRHL Charged Portfolio, *provided that*, nothing in MAB Group Security Over Shares Deed will entitle the Chargee (or its nominee(s)) to become registered as the holder of any Shares unless an Event of Default has occurred in respect of the MBRHL Charged Portfolio.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04887979

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY OVER SHARES DEED DATED THE 13th NOVEMBER 2003 AND CREATED BY MITCHELLS & BUTLERS RETAIL HOLDINGS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO MITCHELLS & BUTLERS RETAIL LIMITED 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 27th NOVEMBER 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 1st DECEMBER 2003.

C-02



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —