

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. Part II of this document comprises an explanatory statement in compliance with section 897 of the Companies Act 2006. This document contains a proposal which, if implemented, will result in the cancellation of the listing of Greene King Shares on the Official List, and of trading of Greene King Shares on the London Stock Exchange's Main Market for listed securities.

The release, publication or distribution of this document and/or any accompanying documents (in whole or in part) in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions, and therefore persons into whose possession this document and/or any accompanying documents come should inform themselves about, and observe, any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, Greene King, CKA or CK Bidco disclaim any responsibility or liability for the violation of such restrictions by such persons.

If you are in any doubt about the Acquisition or the contents of this document or what action you should take, you are recommended to seek your own personal financial, tax and legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

Recommended Cash Acquisition
of
GREENE KING PLC
by
CK NOBLE (UK) LIMITED
(a wholly-owned indirect subsidiary of CK Asset Holdings Limited)
to be effected by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006

Greene King Shareholders should carefully read the whole of this document (including any documents incorporated into it by reference), together with the Forms of Proxy accompanying this document. Your attention is drawn to the letter from the Chairman of Greene King in Part I of this document, which contains the unanimous recommendation of the Greene King Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution at the Greene King General Meeting. A letter from Citigroup and Rothschild & Co explaining the Scheme in greater detail and the action to be taken by you is set out in Part II of this document.

If you sell or otherwise transfer or have sold or otherwise transferred all of your Greene King Shares, please send this document (but not any accompanying personalised documents) at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be forwarded, distributed or transmitted (in whole or in part) in, into or from any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of Greene King Shares, please retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The accompanying Forms of Proxy are personalised. If you have recently purchased or been transferred Greene King Shares, you should contact Greene King's Registrar on the Shareholder Helpline set out on page 6 of this document to obtain replacements for these documents. Please refer to page 8 of this document for further details on the documents you should have received.

Notices of the Court Meeting and the Greene King General Meeting, which will both be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ on 9 October 2019, are set out at Parts IX and X of this document respectively. The Court Meeting will start at 10.00 a.m. and the Greene King General Meeting at 10.15 a.m. (or as soon thereafter as the Court Meeting shall have concluded or been adjourned).

The action to be taken in respect of the Greene King Meetings is set out on pages 8 to 10 (inclusive) and in paragraph 21 of Part II of this document. It is very important that Greene King Shareholders use their votes so that the Court can be satisfied that there is a fair representation of their views.

If the Scheme becomes Effective, it will be binding on all Greene King Shareholders (other than Excluded Shareholders, if any), irrespective of whether or not they attended or voted at the Court Meeting and the Greene King General Meeting (and, if they attended and voted, whether or not they voted in favour).

Forms of Proxy and attendance at the Greene King Meetings

Greene King Shareholders will find enclosed with this document a BLUE Form of Proxy for use in respect of the Court Meeting and a YELLOW Form of Proxy for use in respect of the Greene King General Meeting. Any Greene King Shares held by Excluded Shareholders (if any) may be voted at the Greene King General Meeting but not at the Court Meeting.

Whether or not you intend to attend the Greene King Meetings in person, please complete and sign the enclosed Forms of Proxy in accordance with the instructions printed on them, or appoint a proxy online or through CREST as set out below. To be valid, Forms of Proxy should be completed, signed and returned in accordance with the instructions printed on them and returned to Greene King's Registrar (or submitted electronically) as soon as possible and, in any event, so as to be received by no later than 10.00 a.m. on 7 October 2019 in respect of the Court Meeting and 10.15 a.m. on 7 October 2019 in respect of the Greene King General Meeting. A pre-paid return address is provided on the back of the Forms of Proxy for this purpose for use in the UK only.

Alternatively, BLUE Forms of Proxy (but NOT YELLOW Forms of Proxy) may be handed to Greene King's Registrar or the Chairman of the Court Meeting at the start of the Court Meeting at 10.00 a.m. on 9 October 2019 (or any adjournment thereof). However, in the case of the Greene King General Meeting, unless the YELLOW Form of Proxy is returned by the specified time, it will be invalid.

Online proxy instructions

Greene King Shareholders can also appoint a proxy online via www.greeneking-shares.com by logging in and selecting the "Proxy Voting" link. Proxies submitted electronically must be sent as soon as possible and, in any event, so as to be received by no later than 10.00 a.m. on 7 October 2019 in respect of the Court Meeting and 10.15 a.m. on 7 October 2019 in respect of the Greene King General Meeting.

CREST electronic proxy appointment service

If you hold your Greene King Shares in uncertificated form through CREST, you may vote using the CREST electronic proxy appointment service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of Greene King General Meeting set out in Part X of this document). Proxies submitted via CREST (under CREST ID RA10) must be received by Greene King's Registrar by not later than 10.00 a.m. on 7 October 2019 in respect of the Court Meeting and 10.15 a.m. on 7 October 2019 in respect of the Greene King General Meeting.

Completion and return of a Form of Proxy (or the appointment of a proxy online or through CREST) will not preclude you from attending and voting in person at the Court Meeting, the Greene King General Meeting or any adjournment thereof, if you wish and are so entitled.

Further information

HSBC Bank plc ("**HSBC**"), which is authorised by the PRA and regulated by the PRA and the FCA in the United Kingdom, is acting exclusively for CKA and CK Bidco and no one else in connection with the Acquisition and will not be responsible to anyone other than CKA and CK Bidco for providing the protections afforded to clients of HSBC nor for giving advice in relation to the Acquisition or any matter or arrangement referred to in this document. Neither HSBC, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of HSBC in connection with this document, any statement contained herein or otherwise. HSBC has given, and not withdrawn, its consent to the inclusion in this document of the references to its name in the form and context in which they appear.

Citigroup Global Markets Limited ("**Citigroup**"), which is authorised by the PRA and regulated in the UK by the FCA and the PRA, is acting exclusively as financial adviser for Greene King and no one else in connection with the Acquisition and other matters described in this document and will not be responsible to anyone other than Greene King for providing the protections afforded to clients of Citigroup nor for providing advice in connection with any matter referred to herein. Neither Citigroup nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Citigroup in connection with this document, any statement contained herein, the Acquisition or otherwise.

N.M. Rothschild and Sons Limited (“**Rothschild & Co**”), which is authorised and regulated by the FCA in the United Kingdom, is acting as financial adviser to Greene King and no one else in connection with the matters described in this document and will not be responsible to anyone other than Greene King for providing the protections afforded to clients of Rothschild & Co nor for providing advice in connection with any matter referred to herein. Neither Rothschild & Co nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this document, any statement contained herein, the Acquisition or otherwise.

Peel Hunt LLP (“**Peel Hunt**”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Greene King and for no one else in connection with the matters set out in this document and will not regard any other person as its client in relation to the matters referred to in this document and the offer and will not be responsible to anyone other than Greene King for providing the protections afforded to its clients or for providing advice in relation to the Acquisition or any other matter or arrangement referred to in this document.

IMPORTANT NOTICE

The release, publication or distribution of this document (in whole or in part) in, into or from jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or any accompanying documents come should inform themselves about, and should observe, such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer or an invitation to purchase or subscribe for any securities, or a solicitation of an offer to buy any securities, pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

The statements contained herein are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

The contents of this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the Acquisition or the contents of this document or what action you should take, you are recommended to seek your own personal financial, tax and legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

This document has been prepared for the purposes of complying with English law and the Takeover Code, and the information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of any other jurisdiction.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by Greene King, the Greene King Directors, CK Bidco, the CK Bidco Directors, CKA, the CKA Directors or by Citigroup, Rothschild & Co, Peel Hunt or HSBC or any other person involved in the Acquisition. Neither the delivery of this document nor holding the Greene King Meetings, the Sanction Hearing, nor filing the Scheme Court Order shall, under any circumstances, create any implication that there has been no change in the affairs of the Greene King Group or the CKA Group since the date of this document or that the information in this document is correct as at any time subsequent to its date.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document (including information incorporated by reference in this document), oral statements made regarding the Acquisition, and other information published by CK Bidco, CKA and Greene King contain statements which are, or may be deemed to be, “forward-looking statements”. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of CK Bidco, CKA and Greene King about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this document include statements relating to the expected effects of the Acquisition on CK Bidco, CKA and Greene King (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “projects”, “strategy”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Although CK Bidco, CKA and Greene King believe that the expectations reflected in such forward-looking statements are reasonable, CK Bidco, CKA and Greene King can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; future market conditions, changes in general economic and business conditions, the behaviour of other market participants, the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which CK Bidco, CKA and Greene King operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which CK Bidco, CKA and Greene King operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither CK Bidco, CKA nor Greene King, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither CK Bidco, CKA nor Greene King is under any obligation, and CK Bidco, CKA and Greene King expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

INFORMATION FOR OVERSEAS SHAREHOLDERS

This document has been prepared in accordance with English law, the Takeover Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

The availability of the Acquisition to Greene King Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Greene King Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by CK Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this document and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by

applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility, of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

In accordance with the Takeover Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, Citigroup and its respective affiliates will continue to act as exempt principal trader in Greene King securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Takeover Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Each Greene King Shareholder should read Part V of this document, which provides a summary of certain UK and US tax consequences of the Scheme relevant to Greene King Shareholders who are resident (or, in the case of individuals, domiciled and resident) in the UK or the US for tax purposes. This summary is intended as a general guide only and if you are in any doubt about your tax position, or are subject to taxation in any jurisdiction other than the UK or the US, you are strongly advised to consult an appropriate independent professional adviser.

Notice to US investors in Greene King

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934 (the “**US Exchange Act**”). Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this document has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

If, in the future, CK Bidco exercises its right to implement the Acquisition by way of a Takeover Offer, which is to be made into the US, such Takeover Offer will be made in compliance with the applicable US laws and regulations, including Section 14(e) and Regulation 14E under the US Exchange Act.

It may be difficult for US holders of Greene King Shares and Greene King ADR Holders to enforce their rights and any claim arising out of the US federal laws, since CK Bidco and Greene King are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Greene King Shares and Greene King ADR Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgement.

Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of the Acquisition, or determined if this document is accurate or complete. Any representation to the contrary is a criminal offence in the US.

US Greene King Shareholders and Greene King ADR Holders also should be aware that the transaction contemplated herein may have tax consequences in the US and, that such consequences, if any, are not described herein. US Greene King Shareholders and Greene King ADR Holders are urged to consult with legal, tax and financial advisers in connection with making a decision regarding this transaction.

NO PROFIT FORECASTS OR ESTIMATES

Nothing in this document is intended, or is to be construed, as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for Greene King, CK Bidco or CKA for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Greene King, CK Bidco or CKA.

DEALING DISCLOSURE REQUIREMENTS

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

ELECTRONIC COMMUNICATIONS

Please be aware that addresses, electronic addresses and certain other information provided by Greene King Shareholders, persons with information rights and other relevant persons for the receipt of communications from Greene King may be provided to CK Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c).

PUBLICATION AND AVAILABILITY OF HARD COPIES

This document and the documents required to be published pursuant to Rule 26.1 of the Takeover Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on CKA's website at <https://webfilter.ckah.com/WF06/> and on Greene King's website at <https://www.greeneking.co.uk/investor-centre/recommended-cash-offer/> promptly and in any event by no later than 12 noon on the Business Day following the publication of this document. The content of the website referred to in this document is not incorporated into and does not form part of this document.

In accordance with Rule 30.3 of the Takeover Code, Greene King Shareholders, participants in the Greene King Share Plans and persons with information rights may request a hard copy of this document (including any information incorporated by reference herein) by contacting Greene King's Registrar, Link Asset Services, on

0871 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside the UK. Calls cost 12p per minute plus your phone company's access charge. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m. Monday to Friday excluding public holidays in England and Wales. For persons who receive a copy of this document in electronic form or via a website notification, a hard copy of this document will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

ROUNDING

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

TIMES

All times referred to in this document are, unless otherwise stated, references to the time in London, United Kingdom.

DEFINITIONS

Certain words and terms used in this document are defined in Part VIII of this document.

SHAREHOLDER HELPLINE

If you have any questions relating to this document or the completion and return of the Forms of Proxy, please call the Shareholder Helpline on 0871 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside the UK. Calls cost 12p per minute plus your phone company's access charge. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

Please note that the Shareholder Helpline cannot provide legal, tax or financial advice or any advice on the merits of the Scheme or the Acquisition.

Date: 16 September 2019

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ACTION TO BE TAKEN

Documents enclosed

Please check that you have received the following with this document:

- a BLUE Form of Proxy for use in respect of the Court Meeting on 9 October 2019;
- a YELLOW Form of Proxy for use in respect of the Greene King General Meeting on 9 October 2019; and
- a pre-paid envelope for use within the UK.

If you have not received these documents or have any other queries in relation to this document or the completion and return of the Forms of Proxy, please contact the Shareholder Helpline on the numbers indicated on page 6 of this document.

Voting at the Greene King Meetings

The Scheme will require approval of Greene King Shareholders (other than Excluded Shareholders, if any) at the Court Meeting to be convened by order of the Court. Implementation of the Scheme also requires approval of the Special Resolution by Greene King Shareholders at the Greene King General Meeting.

The Court Meeting and the Greene King General Meeting will be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ. The Court Meeting will be held at 10.00 a.m. on 9 October 2019 and the Greene King General Meeting at 10.15 a.m. on 9 October 2019, or as soon thereafter as the Court Meeting has concluded or been adjourned.

Any Greene King Shares held by Excluded Shareholders (if any) may be voted at the Greene King General Meeting but not at the Court Meeting.

Notices of the Court Meeting and the Greene King General Meeting are set out at Parts IX and X of this document respectively.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Greene King Shareholder opinion. You are therefore strongly encouraged to complete, sign and return both of your Forms of Proxy in accordance with the instructions printed on them, or to appoint a proxy online or through CREST, as soon as possible.

Upon the Scheme becoming Effective it will be binding on all Greene King Shareholders (other than Excluded Shareholders, if any), irrespective of whether or not they attended or voted at the Court Meeting or the Greene King General Meeting, or whether they voted in favour of or against the Scheme.

The completion and return of a Form of Proxy, or the appointment of a proxy online or through CREST as set out below, will not prevent you from attending and voting in person at the Court Meeting, the Greene King General Meeting or any adjournment thereof, if you so wish and are so entitled.

Greene King Shareholders holding certificated shares

(i) *Sending Forms of Proxy by post, by hand or by courier*

Please complete, sign and return both of your Forms of Proxy in accordance with the instructions printed on them as soon as possible and in any event so as to be received by Greene King's Registrar at Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than the following times and dates:

- BLUE Forms of Proxy for the Court Meeting, by 10.00 a.m. on 7 October 2019;
- YELLOW Forms of Proxy for the Greene King General Meeting, by 10.15 a.m. on 7 October 2019; and
- in the case of an adjournment of either of the Greene King Meetings, not later than 48 hours (excluding any part of a day that is not a working day) before the time and date set for the adjourned Greene King Meeting.

This will enable your votes to be counted at the Greene King Meetings in the event of your absence.

Alternatively, BLUE Forms of Proxy (but NOT YELLOW Forms of Proxy) may be handed to Greene King's Registrar or the Chairman of the Court Meeting at the start of the Court Meeting at 10.00 a.m. on 9 October 2019 (or any adjournment thereof). However, in the case of the Greene King General Meeting, unless the YELLOW Form of Proxy is returned by the specified time, it will be invalid.

(ii) *Online proxy appointment*

Greene King Shareholders who prefer to do so may appoint a proxy online via www.greeneking-shares.com by logging in and selecting the "Proxy Voting" link.

For an online proxy appointment to be valid, the appointment must be received by Greene King's Registrar by no later than:

- for the Court Meeting, by 10.00 a.m. on 7 October 2019;
- for the Greene King General Meeting, by 10.15 a.m. on 7 October 2019; and
- in the case of an adjournment of either of the Greene King Meetings, not later than 48 hours (excluding any part of a day that is not a working day) before the time and date set for the adjourned Greene King Meeting.

Please note that separate appointments of a proxy or proxies need to be made for the Court Meeting and the Greene King General Meeting.

Greene King Shareholders holding uncertificated shares through CREST

(i) *CREST electronic proxy appointment service*

Greene King Shareholders who hold Greene King Shares through CREST and who wish to appoint a proxy or proxies for the Greene King Meetings or any adjournment(s) thereof by using the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual (available at <https://my.euroclear.com>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the online instructions to a previously appointed proxy, must, to be valid, be transmitted so as to be received by Greene King's Registrar (under CREST ID RA10) no later than:

- for the Court Meeting, by 10.00 a.m. on 7 October 2019;
- for the Greene King General Meeting, by 10.15 a.m. on 7 October 2019; and
- in the case of an adjournment of either of the Greene King Meetings, not later than 48 hours (excluding any part of a day that is not a working day) before the time and date set for the adjourned Greene King Meeting.

For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Link Asset Services, Greene King's Registrar, are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the proxy through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Greene King may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(ii) *Sending Forms of Proxy by post, by hand or by courier, or online proxy appointment*

Greene King Shareholders who hold Greene King Shares through CREST may, as an alternative to using the CREST electronic proxy appointment service, appoint a proxy by completing and returning a BLUE Form of Proxy and a YELLOW Form of Proxy, or online via www.greeneking-shares.com by logging in and selecting the "Proxy Voting" link, in each case in accordance with the instructions set out above for holders of certificated shares.

Multiple proxy voting instructions

As a registered Greene King Shareholder, you are entitled to appoint a proxy in respect of some or all of your Greene King Shares. You are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different Greene King Share or Greene King Shares held by you. A proxy need not be a Greene King Shareholder. A space has been included on the Forms of Proxy to allow you to specify the number of Greene King Shares in respect of which that proxy is appointed.

If you wish to appoint more than one proxy in respect of your shareholding, please photocopy the Forms of Proxy, or contact Link Asset Services, Greene King's Registrar, via the Shareholder Helpline on the numbers indicated above.

Other indirect Greene King Shareholders

If you hold Greene King Shares indirectly you must rely on the procedures of the bank, broker, financial institution or share plan administrator through which you hold Greene King Shares. You should contact such intermediary for instructions on how you can instruct that intermediary to vote on your behalf at the Greene King Meetings and the date by which you must provide such instructions to the intermediary.

United States and Overseas Shareholders

Please refer to paragraph 20 of Part II of this document if: (i) you have a registered address in or are resident in, ordinarily resident in, or a citizen of, a jurisdiction outside the United Kingdom; or (ii) you have a registered address in or are resident in, ordinarily resident in, or a citizen of, the United States.

Greene King ADR Holders

Please refer to paragraph 15 of Part II of this document for further details if you are a Greene King ADR Holder. If you hold your Greene King ADRs indirectly you must rely on the procedures of the bank, broker, financial institution or share plan administrator through which you hold your Greene King ADRs if you wish to provide voting instructions.

Greene King Share Plans

Details of the arrangements proposed to be implemented in relation to the Greene King Share Plans in connection with the Acquisition are set out in paragraph 12 of Part II of this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

1 Overview

The following indicative timetable sets out expected dates for the implementation of the Scheme.

Event	Time and/or date ⁽¹⁾
Announcement of the Acquisition	19 August 2019
Publication of this document	16 September 2019
Latest time for lodging BLUE Forms of Proxy for the Court Meeting	10.00 a.m. on 7 October 2019 ⁽²⁾
Latest time for lodging YELLOW Forms of Proxy for the Greene King General Meeting	10.15 a.m. on 7 October 2019 ⁽³⁾
Voting Record Time	6.30 p.m. on 7 October 2019 ⁽⁴⁾
CKA General Meeting	11.00 a.m. (Hong Kong time) on 9 October 2019⁽⁵⁾
Court Meeting	10.00 a.m. on 9 October 2019
Greene King General Meeting	10.15 a.m. on 9 October 2019⁽⁶⁾
Effective Date of the Scheme	anticipated to be Q4 2019

2 Principal events

The following dates and times associated with the Scheme are subject to change and will depend on, among other things, the date on which the Conditions to the Scheme are satisfied or waived, and on the date on which the Court sanctions the Scheme. Greene King will give adequate notice of all of these dates and times, when known, by issuing an announcement through a Regulatory Information Service. Further updates and changes to these times will, at Greene King's discretion, be notified in the same way. See also note (1) below.

Sanction Hearing	D (a date which is expected to be not later than 14 days after the satisfaction of the Regulatory Condition) ⁽⁷⁾
Date on which the Court makes its order sanctioning the Scheme	D
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, Greene King Shares	D+1 Business Day
Scheme Record Time	6.30 p.m. on D+1 Business Day
Scheme Effective Time	after 6.30 p.m. on D+1 Business Day⁽⁸⁾
Suspension of trading in Greene King Shares	before markets open on D+2 Business Days
Cancellation of the listing of the Greene King Shares on the Official List and termination of the Greene King ADR programme	by 8.00 a.m. on D+2 Business Days
Despatch of cheques and crediting of CREST accounts with cash due	within 14 days of the Effective Date
Long Stop Date	31 March 2020⁽⁹⁾

Notes:

- (1) **The dates and times given are indicative only and are based on current expectations and may be subject to change (including as a result of changes to the regulatory timetable).** References to times are London time, unless otherwise stated. If any of the times and/or dates above change, the revised times and/or dates will be announced via a Regulatory Information Service.

- (2) The BLUE Form of Proxy for the Court Meeting may, alternatively, be handed to Greene King's Registrar or the Chairman of the Court Meeting at the start of the Court Meeting (or any adjournment thereof). However, if possible, Greene King Shareholders are requested to lodge the BLUE Forms of Proxy with Greene King's Registrar at least 48 hours (excluding any part of a day that is not a working day) before the time appointed for the Court Meeting (or any adjournment thereof).
- (3) The YELLOW Form of Proxy for the Greene King General Meeting must be lodged with Greene King's Registrar by no later than 10.15 a.m. on 7 October 2019 in order for it to be valid, or, if the Greene King General Meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting. If the YELLOW Form of Proxy is not returned by such time, it will be invalid.
- (4) If either of the Greene King Meetings is adjourned, the Voting Record Time for the adjourned Greene King Meeting will be 6.30 p.m. on the date which is two days (excluding any part of a day that is not a working day) before the date of the adjourned Greene King Meeting.
- (5) The CKA Circular containing the notice of the CKA General Meeting is being made publicly available online on the same date as this document is being sent to Greene King Shareholders. The CKA Circular will be sent to CKA Shareholders on the day after this document is sent to Greene King Shareholders. CKA has agreed to use all reasonable endeavours to cause the CKA General Meeting to be convened by no later than the date of the Greene King Meetings and at such time as to enable the CKA General Meeting to have concluded (absent any adjournment thereof) prior to the start of the Greene King Meetings (or such later date or time as may be agreed by CKA, CK Bidco and Greene King in writing).
- (6) To commence at the time fixed or, if later, immediately after the conclusion or adjournment of the Court Meeting.
- (7) The "Regulatory Condition" is the Condition set out in paragraph 3(b) of Part A of Part III of this document. If the Conditions have all been satisfied or waived (where applicable) prior to the date of the Greene King Meetings, then this date is expected to be a date not later than 14 days after the date of the Greene King Meetings.
- (8) The "Scheme Effective Time" of the Scheme is the date and time at which the Scheme becomes effective pursuant to its terms and will be on delivery of the Scheme Court Order to the Registrar of Companies in the UK. The Scheme Court Order is expected to be delivered to the Registrar of Companies following the Scheme Record Time on the Business Day immediately after the date on which the Court makes the Scheme Court Order, at which time the Scheme will become Effective. The events which are stated as occurring on subsequent dates, including the crediting of CREST accounts, are conditional on the Scheme Effective Time and operate by reference to this time.
- (9) This is the latest date by which the Scheme may become Effective. However, the Long Stop Date may be extended to such later date as CK Bidco and Greene King may, with the consent of the Panel, agree and, if required, the Court may allow.

PART I
LETTER FROM THE CHAIRMAN OF GREENE KING PLC

(Registered in England and Wales with registered number 00024511)

Greene King Directors:

Philip Yea, *Chairman*

Nick Mackenzie, *Chief Executive Officer*

Richard Smothers, *Chief Financial Officer*

Rob Rowley, *Senior Independent Non-Executive Director*

Mike Coupe, *Non-Executive Director*

Lynne Weedall, *Non-Executive Director*

Gordon Fryett, *Non-Executive Director*

Sandra Turner, *Non-Executive Director*

Registered office:

Greene King plc

Westgate Brewery

Bury St Edmunds

Suffolk

IP33 1QT

16 September 2019

To all Greene King Shareholders and, for information only, to participants in the Greene King Share Plans and persons with information rights

Dear Greene King Shareholder

**RECOMMENDED CASH OFFER BY CK NOBLE (UK) LIMITED FOR GREENE KING PLC TO
BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT**

1 Introduction

On 19 August 2019, the CK Bidco Board and the Greene King Board announced that they had reached agreement on the terms of a recommended cash offer by CK Bidco (a wholly-owned indirect subsidiary of CKA) for the entire issued and to be issued ordinary share capital of Greene King, not already owned by or on behalf of the CKA Group. Further information regarding CK Bidco and CKA can be found in the Explanatory Statement in Part II of this document.

I am writing to you to set out a summary of the terms of the Acquisition and to explain why the Greene King Directors consider the Acquisition and the Scheme to be in the best interests of Greene King and the Greene King Shareholders as a whole and unanimously recommend that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution at the Greene King General Meeting, both of which will be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ on 9 October 2019. The Court Meeting will start at 10.00 a.m. and the Greene King General Meeting will start at 10.15 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned).

This letter also explains the actions you are now asked to take. Further details of the Scheme are set out in the Explanatory Statement in Part II of this document.

2 Summary of the terms of the Acquisition

Under the terms of the Acquisition, which is described in more detail in the Explanatory Statement in Part II of this document and which is subject to the Conditions and certain further terms set out in Part III of this document, Greene King Shareholders (other than Excluded Shareholders, if any) whose names appear on the Greene King Register of Members at the Scheme Record Time will be entitled to receive:

For each Greene King Share

850 pence in cash
(the “Cash Consideration”)

The terms of the Acquisition value the entire issued and to be issued share capital of Greene King at approximately £2.7 billion on a fully diluted basis and implies an enterprise value of approximately £4.6 billion. The Cash Consideration represents:

- a premium of approximately 51.0 per cent. to the Closing Price of 563 pence per Greene King Share on 16 August 2019 (being the last Business Day prior to the date of the Rule 2.7 Announcement);
- a premium of approximately 42.8 per cent. to the adjusted three month volume weighted average price of 595 pence per Greene King Share to 16 August 2019 (being the last Business Day prior to the date of the Rule 2.7 Announcement);
- a premium of approximately 39.6 per cent. to the adjusted six month volume weighted average price of 609 pence per Greene King Share to 16 August 2019 (being the last Business Day prior to the date of the Rule 2.7 Announcement); and
- an enterprise value multiple of approximately 9.5x Greene King's EBITDA of £482 million for the 52 week period to 28 April 2019, or 10.0x including the fair value of interest rate swap liabilities as at 28 April 2019.

On 6 September 2019, the Greene King Shareholders approved the Final Dividend at Greene King's annual general meeting which was paid on 13 September 2019. If, on or after the date of the Rule 2.7 Announcement and before the Effective Date, any dividend and/or other distribution and/or return of capital is declared, made or paid or becomes payable in respect of the Greene King Shares (other than the Final Dividend), CK Bidco reserves the right to reduce the Cash Consideration payable under the terms of the Acquisition for the Greene King Shares by an amount up to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this document to the Cash Consideration payable under the terms of the Acquisition will be deemed to be a reference to the Cash Consideration as so reduced. In such circumstances, the relevant Greene King Shareholders will be entitled to retain any such dividend and/or other distribution and/or return of capital.

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement of Greene King under Part 26 of the Companies Act 2006. The Scheme requires, among other things, the approval of the Greene King Shareholders (other than Excluded Shareholders, if any) at the Court Meeting and the sanction of the Court. The Scheme and the Acquisition are subject to a number of other Conditions and certain further terms which are set out in Part III of this document. The provisions of the Scheme are set out in Part VII of this document.

The Greene King Shares will be acquired pursuant to the Acquisition with full title guarantee, fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid with a record date on or after the Scheme Effective Time.

3 Background to and reasons for the Acquisition

CKA is a long-term and strategic investor in stable, profitable and cash flow generating businesses that benefit from real estate backing. CKA believes that the United Kingdom pub and brewing sector shares these characteristics and that pubs will continue to be an important part of British culture and the eating and drinking out market. CKA has invested in the United Kingdom pub sector and owns a small portfolio of freehold pubs, all of which are leased to the Greene King Group.

The specific attractions of Greene King include its: established position in the United Kingdom pub and brewing market; freehold and long leasehold backed property estate; and resilient financial profile.

CKA's strategic philosophy is to support management teams to develop and implement plans which create long-term value. This is underpinned by access to strong financial backing. CKA believes it has the financial resources to invest capital in new initiatives, where appropriate, to improve the sustainability, profitability and competitiveness of Greene King.

4 Background to and reasons for the Greene King Board Recommendation

Greene King's overall strategic objective is to be the best pub and brewing company in Britain. To achieve this, Greene King has pursued a consistent strategy which is built on five key pillars: building distinct brands that more customers choose; providing offers that deliver compelling value, service and quality; developing engaged and high performing teams; maintaining a well-located and invested estate; and executing prudent financial management.

In June 2015, Greene King completed the acquisition of Spirit Pub Company plc (“**Spirit**”) to create the UK’s leading integrated pub company. The integration of Spirit was completed a year ahead of schedule and realised synergies in excess of those announced at the time of the acquisition. Since then, Greene King has consolidated its position as the leading integrated UK pub company and at 28 April 2019 the company operated 2,730 pubs, restaurants and hotels across England, Wales and Scotland, of which 1,687 were retail pubs, restaurants and hotels and 1,043 were tenanted, leased and franchised pubs.

In recent years there has been substantial industry change combined with increased macroeconomic and political uncertainty. During this time, the Greene King Board has taken a number of strategic decisions to continue to deliver value for Greene King Shareholders. Through its focus on value, service and quality (“**VSQ**”), Greene King has continued to invest effectively in its high-quality estate and its four leading core brands (Greene King Local Pubs, Chef & Brewer, Farmhouse Inns and Hungry Horse). It has also proactively managed its assets, successfully refinanced (since June 2017 the Greene King Group has repaid a total of £487 million of Spirit secured bonds which represents 63 per cent. of the nominal value of the Spirit secured debt outstanding as at 30 April 2017 as part of its ongoing capital management of its notes and debenture bonds) and delivered value to Greene King Shareholders through Greene King’s sustainable dividend policy, reduced costs and increased balance sheet flexibility.

Greene King performed strongly for the 52 weeks ended 28 April 2019. “Pub Company” like-for-like sales outperformed the market at +2.9 per cent., driven by effective investment in VSQ. “Pub Partners” delivered like-for-like net income of +1.5 per cent. Industry wide cost headwinds were successfully limited to net inflation of £14 million, with a £35 million mitigation programme.

The Greene King Board is fully confident in the ongoing execution of its strategy under the leadership of Nick Mackenzie (who was appointed as Chief Executive Officer on 1 May 2019) and that this strategy will continue to deliver long-term value for Greene King Shareholders. However, the Greene King Board believes that the terms of the Acquisition recognise the quality of Greene King’s business, its potential and longer term prospects. In reaching its conclusion, the Greene King Board considered:

- the terms of the Acquisition in relation to the value and prospects of Greene King’s business;
- that the Cash Consideration under the Acquisition represents the premia and enterprise value / EBITDA multiples set out in paragraph 2 above;
- the impact of the Acquisition on all stakeholders, including CK Bidco’s intentions for the Greene King business, including its name, brand, business mix of “Pub Company”, “Pub Partners” and “Brewery & Brands”, ongoing investment and continuing head office presence in Bury St Edmunds, and support centre in Burton upon Trent and the assurances given by CK Bidco in relation to Greene King employees and pensioners; and
- that the Acquisition provides Greene King Shareholders with the opportunity to receive full cash value for Greene King now, without any of the inherent execution, industry and macroeconomic risks facing the business.

Accordingly, following careful consideration of the above factors, the Greene King Board unanimously recommends the offer to Greene King Shareholders.

5 CK Bidco’s intentions for the Greene King business

Your attention is drawn to the statement of CK Bidco’s intentions for the Greene King business as set out in paragraph 8 of Part II of this document.

In considering the recommendation of the Acquisition to Greene King Shareholders, the Greene King Directors have given due consideration to the assurances given by CK Bidco in relation to the business, directors, employees, pension schemes, tenants and location of business of Greene King.

The Greene King Directors are pleased to note the confirmation of CK Bidco’s intentions set out in paragraph 8 of Part II of this document with respect to the future operations of the business and its employees. In particular, the Greene King Directors welcome:

- CK Bidco’s recognition that the Greene King brand is a cornerstone of Greene King’s success and, following the Acquisition becoming Effective, that Greene King will continue to operate as a standalone business group and will retain the current company name;
- CK Bidco’s acknowledgement that Greene King has recently published its Capital Allocation Policy and that CK Bidco does not intend to significantly change Greene King’s current business composition of “Pub Company”, “Pub Partners” and “Brewing & Brands”;

- the confirmation that the Acquisition will be funded by existing cash resources within the CKA Group (and will not be reliant on Greene King's dividends) and CK Bidco's stated focus on working with all stakeholders of the Greene King business, including its existing management, employees and tenants, to enhance Greene King's long term value and market position;
- the statement that CKA is committed to good corporate governance and that, following the de-listing of Greene King, CK Bidco intends to procure that Greene King adopts a governance code appropriate to its status as a large UK incorporated private company and a member of a Hong Kong listed group;
- the statement that CK Bidco intends to keep Greene King's headquarters and headquarter functions in Bury St Edmunds and its support centre in Burton upon Trent and does not intend to make any material changes in the locations of Greene King's places of business (including its existing business support centres in other locations) beyond the ordinary course of business, divestments or transfers consistent with previous years as part of Greene King's ongoing estate optimisation programme(s);
- CK Bidco's confirmation that it does not intend to make material changes with regard to the continued employment of Greene King employees and management nor to initiate any material headcount reductions within the Greene King organisation as a result of the Acquisition and that it intends to continue to support Greene King's apprentice scheme; and
- CK Bidco's assurances that the existing contractual and employment rights, including in relation to pensions, of all Greene King management and employees will be fully safeguarded in accordance with applicable law, and the statement that CK Bidco does not intend to make any changes to the current employer pension contribution arrangements and intends to work with the pension trustees to maintain or optimise the future investment strategy of the pension schemes.

6 Irrevocable undertakings from Greene King Directors

Each of the Greene King Directors who hold Greene King Shares have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the Greene King General Meeting in respect of all of their own beneficial holdings totalling 155,026 Greene King Shares, representing approximately 0.050 per cent. of Greene King's issued share capital as at the close of business on the Latest Practicable Date.

These irrevocable undertakings remain binding if a higher competing offer for Greene King is made, but will cease to be binding if: (i) the Scheme lapses or is withdrawn in accordance with its terms and CK Bidco publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Takeover Offer or otherwise; (ii) the Scheme has not become effective by 11.59 p.m. on the Long Stop Date; or (iii) there is a CKA Board Recommendation Change.

Further details of these irrevocable undertakings are set out in paragraph 6.1 of Part VI of this document.

7 CKA General Meeting and irrevocable undertakings from CKA Shareholders

CK Bidco is a newly incorporated wholly-owned indirect subsidiary of CKA, which is a limited liability company incorporated in the Cayman Islands, registered in Hong Kong, and listed on the Main Board of the Hong Kong Stock Exchange.

As the Acquisition constitutes a major transaction of CKA pursuant to the Hong Kong Listing Rules, the Acquisition will be subject to approval by CKA Shareholders by simple majority at a general meeting of CKA. The CKA Circular containing the notice of the CKA General Meeting is being published around the same time as this document is being sent to Greene King Shareholders. It is expected that the CKA General Meeting will be held at 11.00 a.m. (Hong Kong time) on 9 October 2019.

The CKA Directors intend unanimously to recommend that CKA Shareholders vote in favour of the resolutions to approve and implement the Acquisition at the CKA General Meeting as the CKA Directors who have personal interests in any CKA Shares have irrevocably undertaken to do in respect of their own beneficial holdings totalling 481,758 CKA Shares (representing approximately 0.013 per cent. of the existing issued ordinary share capital of CKA as at the Latest Practicable Date).

In addition, CKA has agreed to procure that the relevant trustees of the Li family trusts provide to Greene King an irrevocable undertaking to vote in favour of, or procure that the registered holders vote in favour of, the resolutions relating to the Acquisition at the CKA General Meeting in respect of the 1,160,195,710 CKA Shares which they hold directly or indirectly, representing approximately 31.41 per cent. of the existing issued share capital of CKA as at the Latest Practicable Date.

Further details of these irrevocable undertakings are set out in paragraphs 6.2 and 6.3 of Part VI of this document.

8 Greene King Share Plans

Details of the arrangements proposed to be implemented in relation to the Greene King Share Plans in connection with the Acquisition, together with certain other matters relating to the retention and incentivisation of certain Greene King employees, are set out in paragraph 12 of Part II of this document.

Participants in the Greene King Share Plans will also be contacted separately regarding the effect of the Acquisition on their rights under the Greene King Share Plans.

9 Greene King trading update

On 6 September 2019, Greene King released the following trading statement for the 18 weeks to 1 September 2019:

“Like-for-like (LFL) sales in Pub Company grew 1.5% over the last seven weeks⁽¹⁾ and, on a two year basis, were up 2.4%, demonstrating the continued momentum in Pub Company as a result of our ongoing focus on improving value, service and quality. LFL sales were down 1.8% for the first 18 weeks, reflecting the tough comparatives of last year’s successful World Cup and good weather. On a two year basis, LFL sales for the first 18 weeks were up 1.0%.

LFL net income in Pub Partners was down 4.2% for the first 16 weeks, driven by softer LFL beer sales following last year’s comparatives. In Brewing & Brands, total beer volumes were down 6.5% for the first 18 weeks and own-brewed volumes were down 7.9%.

We are on track with our cost mitigation programme and expect to limit net inflation this financial year to £10-20m. We also continue to make progress on our refinancing programme and in June we prepaid the remaining £93m Spirit A4 bonds. We remain on track with our disposal programme and expect to dispose of 85-95 pubs this year, generating disposal proceeds of £45-55m from which we will fund the opening of eight new pubs.

(1) Weeks 1-11 2018 included football World Cup trading; weeks 12-18 2018 did not”

10 Taxation

Greene King Shareholders should read Part V of this document, which provides a summary of certain UK and US tax consequences of the Scheme relevant to Greene King Shareholders who are resident (or, in the case of individuals, domiciled and resident) in the UK or US for tax purposes. This summary is intended as a general guide only and if you are in any doubt about your tax position, or are subject to taxation in any jurisdiction other than the UK or US you are strongly advised to consult an appropriate independent professional adviser.

11 Description of the Scheme

It is intended that the Acquisition will be effected by a Court-sanctioned scheme of arrangement between Greene King and Greene King Shareholders under Part 26 of the Companies Act 2006. The provisions of the Scheme are set out in full in Part VII of this document.

The effect of the Scheme is to provide for CK Bidco to become the holder of the entire issued and to be issued share capital of Greene King. This is to be achieved by the transfer of the Greene King Shares to CK Bidco (other than Excluded Shares, if any, which are Greene King Shares already held by a member of the CKA Group), in consideration for which Greene King Shareholders (other than Excluded Shareholders, if any) who are on the Greene King Register of Members at the Scheme Record Time will be entitled to receive the Cash Consideration on the basis set out in paragraph 2 of this Part I. CKA has an indirect interest in Greene King Shares held via a wholly-owned indirect subsidiary of CKA (being 8,990,182 Greene King Shares, representing approximately 2.9 per cent. of the existing issued ordinary share capital of Greene King as at the Latest Practicable Date), which will not be Scheme Shares and will not be acquired by CK Bidco pursuant to the Acquisition. It will not be permitted to vote such Greene King Shares at the Court Meeting, but it will be permitted to vote such Greene King Shares at the Greene King General Meeting.

To become Effective, the Scheme requires, among other things:

- the approval of a majority in number of the Greene King Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting, and who represent not less than 75 per cent. in value of the Greene King Shares voted by those Greene King Shareholders;
- the passing of the Special Resolution necessary to implement the Acquisition at the Greene King General Meeting (which will require the approval of Greene King Shareholders representing at least 75 per cent. of the votes cast at the Greene King General Meeting either in person or by proxy);
- the approval of CKA Shareholders at the CKA General Meeting;
- receipt of the required decision(s) from the European Commission; and
- the sanction of the Scheme by the Court and, following such sanction, the delivery of a copy of the Scheme Court Order to the Registrar of Companies.

The Conditions set out in Part III of this document provide that the Scheme will lapse if:

- the Court Meeting and the Greene King General Meeting are not held by 31 October 2019 (or such later date as may be agreed between Greene King and CK Bidco and the Court may allow);
- the Sanction Hearing is not held by the 22nd day after the expected date of the hearing (or such later date as may be agreed between Greene King and CK Bidco and the Court may allow); or
- the Scheme does not become Effective by 11.59 p.m. on the Long Stop Date,

provided, however, that the deadlines for the timing of the Court Meeting, the Greene King General Meeting and the Sanction Hearing as set out above may be waived by CK Bidco, and the Long Stop Date may be extended by agreement between Greene King and CK Bidco (with the Panel's consent and as the Court may allow (if such approvals are required)).

If any Condition set out in Part III of this document is not capable of being satisfied by the date specified therein, CK Bidco shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 8.00 a.m. on the Business Day following the date so specified, stating whether CK Bidco has invoked that Condition, (where applicable) waived that Condition or, with the agreement of Greene King, specified a new date by which that Condition must be satisfied.

All Greene King Shareholders are entitled to attend the Sanction Hearing in person or through counsel.

If the Scheme is withdrawn or lapses, all documents of title and other documents lodged with any Form of Proxy will be returned to the relevant Greene King Shareholder as soon as practicable and in any event within 14 days of such lapse or withdrawal.

Upon the Scheme becoming Effective it will be binding on all Greene King Shareholders (other than Excluded Shareholders, if any), irrespective of whether or not they attended or voted at the Court Meeting or the Greene King General Meeting, or whether they voted in favour of or against the Scheme.

The Cash Consideration due under the Acquisition will be despatched by cheque or credited to CREST accounts (as applicable) by CK Bidco to Greene King Shareholders no later than 14 days after the Effective Date. If any Greene King Shares are issued or transferred pursuant to the Greene King Share Plans after the Sanction Hearing but prior to the Scheme Record Time, CK Bidco will pay to Greene King any Cash Consideration due to the holders of such Greene King Shares, which will be paid by Greene King to the relevant individual's bank account (into which their Greene King Group salary or wages are or were most recently paid, or in the case of participants in the Greene King plc Performance Share Plan 2013 who are no longer employed with the Greene King Group, into such account as they may specify) (after the deduction of any applicable exercise price, income tax and social security contributions) in accordance with the terms of the Scheme.

Subject to satisfaction of the Conditions and certain further terms set out in Part III of this document, the Scheme is expected to become Effective in the fourth quarter of 2019.

The Scheme is governed by English law. The Scheme is subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the FCA and the Listing Rules.

Further details of the Scheme and the Greene King Meetings are contained in paragraph 14 of Part II of this document.

12 Action to be taken

Notices of the Court Meeting and the Greene King General Meeting are set out at Parts IX and Part X of this document respectively. You will find enclosed with this document a BLUE Form of Proxy for use in respect of the Court Meeting and a YELLOW Form of Proxy for use in respect of the Greene King General Meeting.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Greene King Shareholder opinion. You are therefore strongly encouraged to complete, sign and return both of your Forms of Proxy in accordance with the instructions printed on the forms, or to appoint a proxy online or through CREST as soon as possible.

Further details of the action to be taken by Greene King Shareholders are set out on pages 8 to 10 (inclusive) of this document and in paragraph 21 of Part II of this document.

13 Greene King ADRs

Further details of the arrangements proposed to be implemented in relation to the Greene King ADRs in connection with the Acquisition are set out in paragraph 14 of Part II of this document.

14 United States and Overseas Shareholders

Please refer to paragraph 20 of Part II of this document if: (i) you have a registered address in or are resident in, ordinarily resident in, or a citizen of, a jurisdiction outside the United Kingdom; or (ii) you have a registered address in or are resident in, ordinarily resident in, or a citizen of, the United States.

15 Further information

You are advised to read the whole of this document and not just rely on the summary information contained in this letter.

Your attention is further drawn to the information contained in Part II, Part III, Part IV, Part V, Part VI and Part VII, and to the expected timetable of principal events set out on pages 11 and 12 of this document.

16 Greene King Board Recommendation

The Greene King Directors, who have been so advised by Citigroup and Rothschild & Co as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Greene King Directors, Citigroup and Rothschild & Co have taken into account the commercial assessments of the Greene King Directors.

Accordingly, the Greene King Directors unanimously recommend that Greene King Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution at the Greene King General Meeting as the Greene King Directors who hold Greene King Shares have irrevocably undertaken to do in respect of their own beneficial holdings totalling 155,026 Greene King Shares (representing approximately 0.050 per cent. of the existing issued ordinary share capital of Greene King as at the close of business on the Latest Practicable Date).

Yours faithfully

Philip Yea

Chairman

Greene King plc

PART II
EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act 2006)

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
*(Registered in England and Wales
with registered number 01763297)*

N.M. Rothschild and Sons Limited
New Court, St Swithin's Lane
London EC4N 8AL
*(Registered in England and Wales
with registered number 00925279)*

16 September 2019

To all Greene King Shareholders and, for information only, to participants in the Greene King Share Plans and persons with information rights

Dear Sir or Madam

**RECOMMENDED CASH OFFER BY CK NOBLE (UK) LIMITED FOR GREENE KING PLC TO
BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT**

1 Introduction

On 19 August 2019, the CK Bidco Board and the Greene King Board announced that they had reached agreement on the terms of a recommended cash offer by CK Bidco (a wholly-owned indirect subsidiary of CKA) for the entire issued and to be issued ordinary share capital of Greene King, not already owned by or on behalf of the CKA Group.

Your attention is drawn to the letter from the Chairman of Greene King, Philip Yea, set out in Part I of this document, which forms part of this Explanatory Statement. That letter contains, among other things, information on the background to and reasons for the unanimous recommendation by the Greene King Directors to Greene King Shareholders to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the Greene King General Meeting.

The Greene King Board has been advised by Citigroup and Rothschild & Co as independent financial advisers under Rule 3 of the Takeover Code in connection with the Acquisition. Citigroup and Rothschild & Co have been authorised by the Greene King Board to write to you to explain the terms of the Acquisition and the Scheme and to provide you with other relevant information.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Greene King Shareholder opinion. You are therefore strongly encouraged to complete, sign and return both of your Forms of Proxy in accordance with the instructions printed on them, or to appoint a proxy online or through CREST as soon as possible. Please see pages 8 to 10 of this document and paragraph 21 of this Part II for further details of the action to be taken in connection with the Greene King Meetings.

The terms of the Scheme are set out in full in Part VII of this document. Your attention is also drawn to the additional information set out in Part VI of this document.

2 The Acquisition

Under the terms of the Acquisition, which is described in more detail in this Explanatory Statement and which is subject to the Conditions and certain further terms set out in Part III of this document, Greene

King Shareholders (other than Excluded Shareholders, if any) whose names appear on the Greene King Register of Members at the Scheme Record Time will be entitled to receive:

For each Greene King Share

850 pence in cash

The terms of the Acquisition value the entire issued and to be issued share capital of Greene King at approximately £2.7 billion on a fully diluted basis and implies an enterprise value of approximately £4.6 billion. The Cash Consideration represents:

- a premium of approximately 51.0 per cent. to the Closing Price of 563 pence per Greene King Share on 16 August 2019 (being the last Business Day prior to the date of the Rule 2.7 Announcement);
- a premium of approximately 42.8 per cent. to the adjusted three month volume weighted average price of 595 pence per Greene King Share to 16 August 2019 (being the last Business Day prior to the date of the Rule 2.7 Announcement);
- a premium of approximately 39.6 per cent. to the adjusted six month volume weighted average price of 609 pence per Greene King Share to 16 August 2019 (being the last Business Day prior to the date of the Rule 2.7 Announcement); and
- an enterprise value multiple of approximately 9.5x Greene King's EBITDA of £482 million for the 52 week period to 28 April 2019, or 10.0x including the fair value of interest rate swap liabilities as at 28 April 2019.

On 6 September 2019, the Greene King Shareholders approved the Final Dividend at Greene King's annual general meeting which was paid on 13 September 2019. If, on or after the date of the Rule 2.7 Announcement and before the Effective Date, any dividend and/or other distribution and/or return of capital is declared, made or paid or becomes payable in respect of the Greene King Shares (other than the Final Dividend), CK Bidco reserves the right to reduce the Cash Consideration payable under the terms of the Acquisition for the Greene King Shares by an amount up to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this document to the Cash Consideration payable under the terms of the Acquisition will be deemed to be a reference to the Cash Consideration as so reduced. In such circumstances, the relevant Greene King Shareholder will be entitled to retain any such dividend and/or other distribution and/or return of capital.

The Greene King Shares will be acquired pursuant to the Acquisition with full title guarantee, fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid with a record date on or after the Scheme Effective Time.

3 Background to and reasons for the Acquisition

CKA is a long-term and strategic investor in stable, profitable and cash flow generating businesses that benefit from real estate backing. CKA believes that the United Kingdom pub and brewing sector shares these characteristics and that pubs will continue to be an important part of British culture and the eating and drinking out market. CKA has invested in the United Kingdom pub sector and owns a small portfolio of freehold pubs, all of which are leased to the Greene King Group.

The specific attractions of Greene King include its: established position in the United Kingdom pub and brewing market; freehold and long leasehold backed property estate; and resilient financial profile.

The CKA Board believes that the CKA Group would benefit from the Acquisition as it represents an attractive investment opportunity for CKA's investors. The Acquisition is consistent with CKA's global diversification policy and is in accordance with CKA's investment criteria. Upon the Acquisition becoming Effective, the CKA Group is expected to benefit from being able to extend its reach to other business areas and the stable recurrent income generated from such reach, and from consolidating its holdings in and through the United Kingdom.

CKA's strategic philosophy is to support management teams to develop and implement plans which create long-term value. This is underpinned by access to strong financial backing. CKA believes it has the financial resources to invest capital in new initiatives, where appropriate, to improve the sustainability, profitability and competitiveness of Greene King.

CKA looks forward to working with all stakeholders of the Greene King business, including its existing management, employees and tenants, to enhance Greene King's long term value and market position.

4 Background to and reasons for the Greene King Board Recommendation

Information relating to the background to and reasons for the Greene King Board's recommendation of the Acquisition are set out in paragraph 4 of Part I of this document.

5 Information relating to Greene King

Greene King is the UK's leading integrated pub retailer and brewer operating over 2,700 pubs, restaurants and hotels across England, Wales and Scotland and has a proud history of brewing award-winning beers for more than 200 years. Greene King's three main trading divisions are "Pub Company", "Pub Partners" and "Brewing & Brands".

Since the acquisition of Spirit in 2015, Greene King has successfully consolidated its Pub Company portfolio of managed pubs around four leading retail brands: Greene King Local Pubs, Chef & Brewer, Farmhouse Inns and Hungry Horse.

As at 28 April 2019, Greene King had 1,687 managed pubs, restaurants and hotels.

Greene King's Pub Partners business offers people the opportunity to run Greene King's pubs on a tenanted, leased or franchised basis. As at 28 April 2019 Greene King had 1,043 primarily wet-led sites in Greene King's Pub Partners estate, of which the majority are run under brewery-tied tenancy agreements.

81 per cent. of the Greene King estate was either freehold or long leasehold as at 28 April 2019.

Greene King's Brewing & Brands business brews, sells and distributes a wide range of award-winning beers to both the on and off trade. These are brewed in one of Greene King's two breweries, in Bury St Edmunds, Suffolk and Dunbar, Scotland. The strategy is focused on Greene King's core brands: Greene King IPA, the fastest-selling national cask ale brand in the on-trade; Old Speckled Hen, the UK's number one premium ale brand by volume; Abbot Ale, the UK's number one premium cask ale brand; and Belhaven Best, the number one ale brand in Scotland.

The total number of Greene King employees as at 28 April 2019 was c.38,000.

For the 52 week financial period ended 28 April 2019, Greene King's revenue was £2,216.9 million and its operating profit before exceptional and non-underlying items was £368.2 million. Profit before tax and exceptional and non-underlying items was £246.9 million, while adjusted basic earnings per share were 64.5 pence. Net profit before tax was £172.8 million, net profit after tax was £120.4 million and net assets were £2,107.9 million.

For the 52 week financial period ended 29 April 2018, Greene King's revenue was £2,176.7 million and its operating profit before exceptional and non-underlying items was £373.1 million. Profit before tax and exceptional and non-underlying items was £243.0 million, while adjusted basic earnings per share were 62.7 pence. Net profit before tax was £197.5 million, net profit after tax was £183.3 million and net assets were £2,073.1 million.

6 Information relating to the CKA Group

CK Bidco

CK Bidco is a newly incorporated wholly-owned indirect subsidiary of CKA. CK Bidco is a private limited company incorporated in England and Wales. CK Bidco was incorporated on 9 August 2019 and has not traded since incorporation, nor has it entered into any obligations, other than in connection with the Acquisition.

CKA

CKA is a limited liability company incorporated in the Cayman Islands, which is registered in Hong Kong, and is listed on the Main Board of the Hong Kong Stock Exchange.

CKA is a leading multinational corporation and has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, investment in infrastructure and utility asset operation and aircraft leasing.

The CKA Group's results for the first half of 2019 were in line with expectations, reflecting a solid performance by its businesses. By adhering to its prudent strategy of achieving asset growth through improving quality earnings, the CKA Group continued to enhance its property business and explore

global opportunities to strengthen the recurrent income base by further expansion of its local and overseas business portfolio. Ample liquidity and solid financial fundamentals allow the CKA Group to maintain strategic flexibility and to pursue quality investments to generate stable returns for its shareholders.

The macro economic and political environment remained challenging during the first half of 2019. Through diversification and globalisation, the CKA Group has enhanced the quality of its portfolio and remained resilient to market volatility.

The CKA Group has ample cash on hand with a debt ratio of approximately 0.5% as at its interim period end date of 30 June 2019, and its operating and financial positions remain strong. Based on the CKA Group's solid foundations of strong financial fundamentals and a diversified global business portfolio, the CKA Group is resilient to market challenges.

"Advancing without forgoing stability" will continue to be the CKA Group's motto. The CKA Group will continue to adopt a prudent investment strategy to improve the quality of earnings and enhance the recurrent income base, while achieving asset growth through continual strengthening of the CKA Group's existing property businesses and portfolio and through geographical diversification. The CKA Group will focus on pursuing quality investments and increasing the recurrent income base over time in order to create long term sustainable value for its shareholders. The CKA Group remains cautiously optimistic about the CKA Group's future prospects.

7 Financial effects of the Acquisition on CK Bidco and the CKA Group

CK Bidco

CK Bidco has no material assets or liabilities other than those described in this document in connection with its incorporation and the Acquisition and, with effect from the Effective Date, the earnings, assets and liabilities in the consolidated CK Bidco accounts will comprise the consolidated earnings, assets and liabilities of the Greene King Group.

CKA

As set out in the Greene King Group's audited financial statements for the 52 weeks ended 28 April 2019, the Greene King Group's profit for the year after tax, exceptional and non-underlying items was £120 million. On this basis, the CKA Directors expect that the Acquisition would have a positive impact on the CKA Group's earnings following completion of the Acquisition.

Had completion of the Acquisition taken place on 30 June 2019:

- (a) the total assets of the CKA Group as at 30 June 2019 would have increased from approximately £48,042 million to approximately £51,477 million; and
- (b) the total liabilities of the CKA Group as at 30 June 2019 would have increased from approximately £12,740 million to approximately £16,225 million.

The CKA Directors are of the view that the Acquisition is not expected to have any material adverse impact on the financial position of the CKA Group.

8 CK Bidco's intentions for the Greene King business

CK Bidco's strategic plans for Greene King

CK Bidco regards the Greene King brand as a cornerstone of Greene King's success and, following the Acquisition becoming Effective, intends that Greene King will continue to operate as a standalone business group and will retain the current company name. CK Bidco supports Greene King's current strategy and intends to work with the existing Greene King management team to develop and implement the strategy following the Acquisition becoming Effective. CK Bidco acknowledges that Greene King has recently published its Capital Allocation Policy which contains a shared philosophy of generating cash to re-invest in the business where return thresholds are met and to meet other external commitments. Greene King disposes of non-core pubs and/or transfers pubs between "Pub Company" and "Pub Partners" as part of its ongoing estate optimisation programme(s), and CK Bidco intends to continue to support such programme(s) following the Effective Date. Absent new investment opportunities, a material change in asset value or in market circumstances, CK Bidco does not intend to significantly change Greene King's current business composition of "Pub Company", "Pub Partners" and "Brewing & Brands".

Following the Acquisition becoming Effective, CK Bidco intends to procure that Greene King continues to operate within the terms of its current securitisation arrangements and not to seek to amend these structures without the consent of bondholders or the agreement of the bond trustee. The Acquisition will be funded by existing cash resources within the CKA Group and will not be reliant on Greene King's dividends.

Existing employment rights and pensions

CK Bidco greatly values the skills, knowledge and expertise of Greene King's existing management and employees and therefore CK Bidco does not intend to make material changes with regard to the continued employment of the employees and management of the Greene King Group (including the conditions of employment or the balance of skills and functions of the employees and management), nor does CK Bidco intend to initiate any material headcount reductions within the Greene King organisation as a result of the Acquisition, although it is expected that each of the Greene King Non-Executive Directors will resign as directors of Greene King on or shortly after the Effective Date. CK Bidco proposes to appoint the following directors to the Greene King Board on or shortly after the Effective Date: George Magnus, Gerald Ma, Peter Macnab, Andrew Hunter and David Dyson. CK Bidco intends to continue to support Greene King's apprentice scheme.

CK Bidco confirms that, following the Effective Date, the existing contractual and statutory employment rights, including in relation to pensions, of all Greene King management and employees will be fully safeguarded in accordance with applicable law.

Greene King's defined benefit pension schemes are closed to new members and future accruals. CK Bidco does not intend to make any changes to the current employer pension contribution arrangements (including with regard to current arrangements for the funding of any scheme deficit), the accrual of benefits for existing members or the closure of admission of new members. Following the Acquisition becoming Effective, CK Bidco intends to work with the pension trustees to maintain or optimise the future investment strategy of the pension schemes.

Management incentive arrangements

Following the Acquisition becoming Effective, CK Bidco intends to review management incentive structures and to put in place cash-based long-term incentive plans, focusing on profitability, return on equity, cash generation and operational quality relating to the Greene King business, to replace the Greene King Performance Share Plan 2013 which will come to an end as a result of the Acquisition. Except as described below, CK Bidco has not had any detailed discussions on proposals to enter into any form of incentivisation arrangements for or with members of Greene King's management.

In order to promote the retention of certain Greene King employees (including the Greene King Executive Directors) following the Effective Date, CK Bidco has agreed that, following the Effective Date, it will grant to employees who held awards granted on or after 1 May 2018 under the Greene King Performance Share Plan 2013 immediately prior to the Scheme Court Order ("**Relevant Awards**") cash bonuses payable on 30 July 2021 subject to continued employment (the "**Transition Awards**"). The value of each eligible participant's Transition Award will be calculated by reference to an agreed formula based on the value of the participant's Relevant Awards that lapsed due to the Acquisition.

As required by, and solely for the purposes of Rule 16.2 of the Takeover Code, Citigroup and Rothschild & Co have (in their capacity as independent advisers to Greene King for the purposes of Rule 3 of the Takeover Code) reviewed the terms of the Transition Awards together with other information deemed relevant and advised Greene King that the Transition Awards are fair and reasonable so far as the Greene King Shareholders are concerned. In providing their advice, Citigroup and Rothschild & Co have taken into account the commercial assessments of the Greene King Directors.

Headquarters, fixed assets and research and development

CK Bidco intends to keep Greene King's headquarters and headquarter functions in Bury St Edmunds and its support centre in Burton upon Trent following the Effective Date and does not intend to make any material changes in the locations of Greene King's places of business (including its existing business support centres in other locations) beyond the ordinary course of investments, divestments or transfers consistent with previous years as part of Greene King's ongoing estate optimisation programme(s) referred to above.

No changes are envisaged by CK Bidco with respect to the redeployment of Greene King's fixed asset base. Greene King does not currently have a research and development function and CK Bidco has no plans in this regard.

Corporate governance and social responsibility

CKA is committed to good corporate governance and, following the de-listing of Greene King, CK Bidco intends to procure that Greene King adopts a governance code appropriate to its status as a large UK incorporated private limited company and a member of a Hong Kong listed group and maintains or enhances those key control processes and procedures which continue to be relevant to Greene King, including compliance with the Pubs Code, applicable accounting and tax reporting standards and its approach to corporate social responsibility.

None of the statements in this paragraph 8 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

9 Financing of the Acquisition and Cash Confirmation

The Cash Consideration payable by CK Bidco pursuant to the Acquisition will be funded from the existing cash resources of the CKA Group.

HSBC, as financial adviser to CKA and CK Bidco, is satisfied that sufficient resources are available to CK Bidco to satisfy in full the Cash Consideration payable to Greene King Shareholders under the terms of the Acquisition.

10 Property valuations

Valuations as at 30 April 2019

As at 30 April 2019, Greene King had a trading property estate of 2,730 properties, of which 2,722 properties were valued at an aggregate value of £4,453.1 million. Of these 2,722 properties, approximately 71 per cent. (referred to as the Greene King portfolio) had been valued by independent external valuers, Christie & Co, as at 26 September 2018. Almost all of the remaining 29 per cent. of the property portfolio (referred to as the Spirit portfolio) had been valued by Colliers International, as at 30 April 2019.

The £4,453.1 million valuation is comprised of the following components:

Table 1: position as at 30 April 2019	Value (£ million)	Number of properties
30 April 2019 Spirit portfolio valuation	£1,000.4	782
Properties transferred from the Spirit portfolio to the Greene King portfolio after the 26 September 2018 Greene King portfolio valuation but prior to the 30 April 2019 Spirit portfolio valuation	£ 224.1	57
26 September 2018 Greene King portfolio valuation	£3,242.2	1,933
Greene King portfolio disposals since 26 September 2018	(£25.1)	(55)
Greene King portfolio acquisitions since 26 September 2018	£ 11.5	5
Total	£4,453.1	2,722

Notes to Table 1:

As shown in Table 1, the aggregate property valuation of £4,453.1 million is comprised of:

- 782 properties in the Spirit portfolio, valued by Colliers International as at 30 April 2019, with an aggregate value of £1,000.4 million
- An additional 57 properties which were transferred from the Spirit portfolio to the Greene King portfolio after the date of the Christie & Co valuation of the Greene King portfolio as at 26 September 2018 but prior to the Colliers International valuation of the Spirit portfolio as at 30 April 2019, with an aggregate value of £224.1 million
- 1,933 properties in the Greene King portfolio, valued by Christie & Co as at 26 September 2018, with an aggregate value of £3,242.2 million
- Disposal of 55 properties from the Greene King portfolio since 26 September 2018, with an aggregate value of £25.1 million
- Acquisition of 5 properties into the Greene King portfolio since 26 September 2018, with an aggregate value of £11.5 million

Updated as at 18 August 2019

Table 2: position as at 18 August 2019	Value (£ million)	Number of properties
30 April 2019 Spirit portfolio valuation (adjusted—see notes below)	£ 988.4	757
Properties transferred from the Spirit portfolio to the Greene King portfolio since 30 April 2019	£ 2.4	6
Properties transferred from the Spirit portfolio to the Greene King portfolio between 26 September 2018 and 30 April 2019	£ 224.1	57
26 September 2018 Greene King portfolio	£3,242.2	1,933
Greene King portfolio disposals since 26 September 2018	(£46.2)	(76)
Greene King portfolio acquisitions since 26 September 2018	£ 31.0	10
Revised total	£4,441.9	2,687

Notes to Table 2:

Explanation of the updated aggregate property valuation of £4,441.9 million shown in Table 2:

- 757 properties in the Spirit portfolio, with an aggregate value of £988.4 million, which reflect that 25 sites with an aggregate value of £12 million have been transferred out of the Spirit portfolio since 30 April 2019
- Of these 25 properties transferred, 19 (with an aggregate value of £9.6 million) have been sold and 6 (with an aggregate value of £2.4 million) have been transferred to the Greene King portfolio
- An additional 57 properties which were transferred from the Spirit portfolio to the Greene King portfolio after the date of the Christie & Co valuation of the Greene King portfolio as at 26 September 2018 but prior to the Colliers International valuation of the Spirit portfolio as at 30 April 2019, with an aggregate value of £224.1 million
- 1,933 properties as part of the Greene King portfolio, valued by Christie & Co as at 26 September 2018, with an aggregate value of £3,242.2 million
- Acquisition of 10 properties into the Greene King portfolio since 26 September 2018, with an aggregate value of £31.0 million
- Disposal of 76 properties from the Greene King portfolio since 26 September 2018, with an aggregate value of £46.2 million

The updated aggregate property valuation of £4,441.9 million, reflects movement of properties within the estate and uses site valuations as at their last respective valuation date as conducted by Colliers International and Christie & Co on 30 April 2019 and 26 September 2018 respectively.

The £11.2 million difference between the aggregate property valuations as at 30 April 2019 and 18 August 2019 is principally due to the disposals of 21 properties in the Greene King portfolio and 19 of the 25 sites transferred from the Spirit portfolio, at an aggregate value at £21.1 million and £9.6 million respectively. This was in part offset by the acquisition of a further five sites, at an aggregate value of £19.5 million.

Colliers International and Christie & Co, having reviewed the latest available trading data of the properties, which the Greene King Board confirms is an accurate and appropriate base, and the external market environment, have confirmed that, other than for movements in the number of properties, the valuations are not materially different.

Your attention is drawn to paragraphs 16 and 17 of Part VI to this document and the letters from Christie & Co and Colliers International set out in Appendix I and Appendix II to this document in accordance with Rule 29 of the Takeover Code.

11 The Greene King Directors and the effect of the Scheme on their interests

Details of the interests of the Greene King Directors in the share capital of Greene King and options over this share capital are set out in paragraph 6.1 of Part VI of this document. Greene King Shares held by the Greene King Directors as at the Scheme Record Time will be subject to the Scheme.

Particulars of the service contracts (including termination provisions) and letters of appointment of the Greene King Directors are set out in paragraph 9 of Part VI of this document.

Each of the Greene King Directors who hold beneficial interests in Greene King Shares have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the Greene King General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept the Takeover Offer) in respect of all of the Greene King Shares of which they are the respective beneficial holders, totalling 155,026 Greene King Shares, representing in aggregate approximately 0.050 per cent. of Greene King's issued share capital as at the close of business on the Latest Practicable Date. These irrevocable undertakings remain binding if a higher competing offer is made, but will cease to be binding on the earlier of the following occurrences: (i) the Scheme lapses or is withdrawn in accordance with its terms and CK Bidco publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Takeover Offer or otherwise; (ii) the Scheme has not become effective by 11.59 p.m. on the Long Stop Date; or (iii) there is a CKA Board Recommendation Change. Further details of these irrevocable undertakings are set out in paragraph 6.1 of Part VI of this document.

Save as set out above and in paragraph 6.1 of Part VI of this document, the effect of the Scheme on the interests of Greene King Directors does not differ from its effect on the like interests of any other Greene King Shareholder.

12 Greene King Share Plans

Participants in the Greene King Share Plans will be contacted regarding the effect of the Acquisition on their options and awards under the Greene King Share Plans and appropriate proposals, where required, will be made to such participants. A summary of the effect is as follows:

- outstanding options granted prior to 19 August 2019 under the Greene King plc Performance Share Plan 2013 and the Greene King plc 2016 Restricted Share Plan will, to the extent not already vested, become vested and capable of exercise on the Scheme Court Order being granted. The extent to which such options will vest will be as follows:
 - options granted prior to 30 April 2018 will vest at 16.4 per cent. of maximum (being the level at which applicable performance conditions have been assessed as achieved) and no further reduction for time pro-rating will be applied; and
 - options granted on or after 1 May 2018 will vest at 78.3 per cent. of maximum (being the level at which applicable performance conditions have been assessed as achieved) and will be further reduced for time pro-rating;
- vested but unexercised options will lapse no later than six months after the Scheme Court Order is granted;
- outstanding options granted on or after 19 August 2019 under the Greene King plc Performance Share Plan 2013 will lapse on the Scheme Court Order being granted;
- participants in the Greene King plc Performance Share Plan 2013 may also be eligible to receive Transition Awards as described in paragraph 8 of this Part II;
- outstanding options under the Greene King Save4Shares Scheme 2005 and the Greene King Sharesave Scheme 2015 will, to the extent not already vested, become vested and capable of exercise on the Scheme Court Order being granted and remain exercisable for up to six months from the Scheme Court Order being granted. Options will be exercisable to the extent of savings made under the participant's accrued savings (and interest, if any) at the point of exercise. Participants who exercise options after the Scheme Court Order is granted will be eligible to receive from CK Bidco a cash payment equal to the difference between the consideration per Greene King Share and the exercise price per Greene King Share of the participant's option multiplied by the additional number of Greene King Shares the participant would have acquired if they had continued their savings for an additional six contributions, grossed-up to reflect an assumed tax rate of 25 per cent; and
- Greene King Shares held under the Greene King Free4All Employee Profit Share Scheme and the Spirit Share Incentive Plan will participate in the Scheme on the same terms as all other Greene King Shareholders.

The Scheme will extend to any Greene King Shares which are unconditionally allotted or issued at or before the Scheme Record Time, including those allotted or issued to satisfy the exercise of options or vesting of awards under the Greene King Share Plans.

The Scheme will not extend to Greene King Shares issued after the Scheme Record Time. However, it is proposed to amend the Greene King Articles at the Greene King General Meeting to provide that, if the Acquisition becomes Effective, any Greene King Shares issued to any person other than CK Bidco or its nominees after the Scheme Record Time (including in satisfaction of an option exercised under one of the Greene King Share Plans) will be automatically transferred to CK Bidco (or as it directs) in consideration for the payment by CK Bidco to such persons of an amount equal to the Cash Consideration available under the terms of the Acquisition for each Greene King Share so transferred.

13 CKA General Meeting and irrevocable undertakings from CKA Shareholders

As the Acquisition constitutes a major transaction of CKA pursuant to the Hong Kong Listing Rules, the Acquisition will be subject to approval by CKA Shareholders by simple majority at a general meeting of CKA. The CKA Circular containing the notice of the CKA General Meeting is being published around the same time as this document is being sent to Greene King Shareholders. It is expected that the CKA General Meeting will be held at 11.00 a.m. (Hong Kong time) on 9 October 2019.

The CKA Directors intend unanimously to recommend that CKA Shareholders vote in favour of the resolutions to approve and implement the Acquisition at the CKA General Meeting as the CKA Directors who have personal interests in any CKA Shares have irrevocably undertaken to do in respect of their own beneficial holdings totalling 481,758 CKA Shares (representing approximately 0.013 per cent. of the existing issued ordinary share capital of CKA as at the Latest Practicable Date).

In addition, CKA has agreed to procure that the relevant trustees of the Li family trusts provide to Greene King an irrevocable undertaking to vote in favour of, or procure that the registered holders vote in favour of, the resolutions relating to the Acquisition at the CKA General Meeting in respect of the 1,160,195,710 CKA Shares which they hold directly or indirectly, representing approximately 31.41 per cent. of the existing issued share capital of CKA as at the Latest Practicable Date.

Further details of these irrevocable undertakings are set out in paragraphs 6.2 and 6.3 of Part VI of this document.

14 Description of the Scheme and the Greene King Meetings

The Scheme

It is intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement between Greene King and the Greene King Shareholders under Part 26 of the Companies Act 2006. The provisions of the Scheme are set out in full in Part VII of this document.

The effect of the Scheme is to provide for CK Bidco to become the holder of the entire issued and to be issued share capital of Greene King. This is to be achieved by the transfer of the Greene King Shares to CK Bidco (other than Excluded Shares, if any, which are Greene King Shares already held by a member of the CKA Group), in consideration for which Greene King Shareholders (other than Excluded Shareholders, if any) who are on the Greene King Register of Members at the Scheme Record Time will receive the Cash Consideration on the basis set out in paragraph 2 of this Part II.

CKA has an indirect interest in Greene King Shares held via a wholly-owned indirect subsidiary of CKA (being 8,990,182 Greene King Shares representing approximately 2.9 per cent. of the existing issued ordinary share capital of Greene King as at the Latest Practicable Date), which will not be Scheme Shares and will not be acquired by CK Bidco pursuant to the Acquisition. It will not be permitted to vote such Greene King Shares at the Court Meeting, but it will be permitted to vote such Greene King Shares at the Greene King General Meeting.

To become Effective, the Scheme requires, among other things:

- the approval of a majority in number of the Greene King Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting, and who represent not less than 75 per cent. in value of the Greene King Shares voted by those Greene King Shareholders;
- the passing of the Special Resolution necessary to implement the Scheme at the Greene King General Meeting (which will require the approval of Greene King Shareholders representing at least 75 per cent. of the votes cast at the Greene King General Meeting either in person or by proxy);
- the approval of CKA Shareholders at the CKA General Meeting;
- receipt of the required decision(s) from the European Commission; and

- the sanction of the Scheme by the Court and, following such sanction, the delivery of a copy of the Scheme Court Order to the Registrar of Companies.

The Conditions set out in Part III of this document provide that the Scheme will lapse if:

- the Court Meeting and the Greene King General Meeting are not held by 31 October 2019 (or such later date as may be agreed between Greene King and CK Bidco and the Court may allow);
- the Sanction Hearing is not held by the 22nd day after the expected date of the hearing (or such later date as may be agreed between Greene King and CK Bidco and the Court may allow); or
- the Scheme does not become Effective by 11.59 p.m. on the Long Stop Date,

provided, however, that the deadlines for the timing of the Court Meeting, the Greene King General Meeting and the Sanction Hearing as set out above may be waived by CK Bidco, and the Long Stop Date may be extended by agreement between Greene King and CK Bidco (with the Panel's consent and as the Court may allow (if such approvals are required)).

If any Condition set out in Part III of this document is not capable of being satisfied by the date specified therein, CK Bidco shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 8.00 a.m. on the Business Day following the date so specified, stating whether CK Bidco has invoked that Condition, (where applicable) waived that Condition or, with the agreement of Greene King, specified a new date by which that Condition must be satisfied.

All Greene King Shareholders are entitled to attend the Sanction Hearing in person or through counsel.

If the Scheme is withdrawn or lapses, all documents of title and other documents lodged with any Form of Proxy will be returned to the relevant Greene King Shareholder as soon as practicable and in any event within 14 days of such lapse or withdrawal.

Upon the Scheme becoming Effective it will be binding on all Greene King Shareholders (other than Excluded Shareholders, if any), irrespective of whether or not they attended or voted at the Court Meeting or Greene King General Meeting, or whether they voted in favour of or against the Scheme.

The Cash Consideration due under the Acquisition will be despatched by cheque or credited to CREST accounts (as applicable) by CK Bidco to Greene King Shareholders no later than 14 days after the Effective Date. If any Greene King Shares are issued or transferred pursuant to the Greene King Share Plans after the Sanction Hearing but prior to the Scheme Record Time, CK Bidco will pay to Greene King any Cash Consideration due to the holders of such Greene King Shares, which will be paid by Greene King to the relevant individual's bank account (into which their Greene King Group salary or wages are or were most recently paid, or in the case of participants in the Greene King plc Performance Share Plan 2013 who are no longer employed with the Greene King Group, into such account as they may specify) (after the deduction of any applicable exercise price, income tax and social security contributions) in accordance with the terms of the Scheme.

Subject to satisfaction (or, waiver, where applicable) of the Conditions and certain further terms set out in Part III of this document, the Scheme is expected to become Effective in the fourth quarter of 2019.

The Scheme is governed by English law. The Scheme is subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the FCA and the Listing Rules.

The Greene King Meetings

Before the Court is asked to sanction the Scheme, the Scheme will require the approval of Greene King Shareholders (other than Excluded Shareholders, if any) at the Court Meeting and Greene King Shareholders passing the Special Resolution at the Greene King General Meeting.

The Court Meeting and the Greene King General Meeting will be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ. The Court Meeting will be held at 10.00 a.m. on 9 October 2019 and the Greene King General Meeting at 10.15 a.m. on 9 October 2019, or as soon thereafter as the Court Meeting has concluded or been adjourned.

Notices of the Court Meeting and the Greene King General Meeting are set out at Parts IX and X of this document respectively.

Entitlement to vote at the Greene King Meetings

Greene King Shareholders whose names appear on the Greene King Register of Members at the Voting Record Time (expected to be 6.30 p.m. on 7 October 2019) will be entitled to attend and vote at the Court Meeting (other than Excluded Shareholders, if any) and the Greene King General Meeting. If either Greene King Meeting is adjourned, only those Greene King Shareholders whose names appear on the Greene King Register of Members at 6.30 p.m. two days (excluding any part of a day that is not a working day) before the date of the adjourned Court Meeting (other than Excluded Shareholders, if any) and for the adjourned Greene King General Meeting will be entitled to attend and vote.

If you are in any doubt as to whether or not you are permitted to vote at either the Court Meeting or the Greene King General Meeting or have any questions in relation to this document, the Greene King Meetings, or the completion and return of the Forms of Proxy, please contact Greene King's Registrar, Link Asset Services, via the Shareholder Helpline on the numbers indicated in paragraph 22 of this Part II.

(i) The Court Meeting

The Court Meeting, which has been convened for 10.00 a.m. on 9 October 2019, is being held at the direction of the Court to seek the approval of Greene King Shareholders (other than Excluded Shareholders, if any) for the Scheme. The Notice of Court Meeting is set out in Part IX of this document.

At the Court Meeting, voting will be by way of poll and each Greene King Shareholder present (in person or by proxy) will be entitled to one vote for each Greene King Share held. In order for the resolution to be passed, it must be approved by a majority in number of Greene King Shareholders, present and voting, whether in person or by proxy, at the Court Meeting representing not less than 75 per cent. in value of all the Greene King Shares voted. Excluded Shareholders (if any) are not entitled to vote at the Court Meeting.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Greene King Shareholder opinion. You are therefore strongly encouraged to complete, sign and return both of your Forms of Proxy in accordance with the instructions printed on them, or to appoint a proxy online or through CREST as soon as possible.

Due to the length of time anticipated to be required to calculate the results of the poll, the result may not be announced at the Court Meeting. The result of the vote at the Court Meeting will be announced by Greene King via a Regulatory Information Service as soon as practicable after it is known.

(ii) The Greene King General Meeting

The Greene King General Meeting has been convened for 10.15 a.m. on 9 October 2019, or as soon thereafter as the Court Meeting has concluded or been adjourned, to consider and, if thought fit, pass the Special Resolution to:

- authorise the Greene King Directors to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- approve certain amendments to the Greene King Articles (as described below).

It is proposed that the Greene King Articles be amended to:

- ensure that any Greene King Shares which are issued under the Greene King Share Plans or otherwise after the Greene King Articles are amended and before the Scheme Record Time (other than to CK Bidco and/or its nominees) will be issued subject to the terms of the Scheme and the holders of such Greene King Shares will be bound by the terms of the Scheme; and
- ensure that, subject to the Scheme becoming Effective, any Greene King Shares issued at or after the Scheme Record Time (including to any optionholder under the Greene King Share Plans upon the exercise of options pursuant to the Greene King Share Plans) (other than to CK Bidco and/or its nominees) will be compulsorily acquired by CK Bidco (or as it may direct), in consideration of (subject to certain terms and conditions) the payment of an amount equal to the Cash Consideration on the same basis as under the Scheme.

The proposed amendments to the Greene King Articles referred to above are set out in full in the Notice of Greene King General Meeting in Part X of this document.

At the Greene King General Meeting, voting will be by way of poll and each Greene King Shareholder present (in person or by proxy) will be entitled to one vote for each Greene King Share held. In order for

the Special Resolution to be passed, it must be approved by votes in favour representing at least 75 per cent. of the votes cast either in person or by proxy. Any Greene King Shares held by Excluded Shareholders (if any) may be voted at the Greene King General Meeting.

Due to the length of time anticipated to be required to calculate the results of the poll, the result may not be announced at the Greene King General Meeting. The result of the vote at the Greene King General Meeting will be announced by Greene King via a Regulatory Information Service as soon as practicable after it is known.

Sanction of the Scheme by the Court

The Scheme also requires the sanction of the Court. Greene King will give adequate notice of the date and time of the Sanction Hearing, once known, by issuing an announcement through a Regulatory Information Service. The Sanction Hearing is expected to be held on a date not later than 14 days after the satisfaction (or waiver, where applicable) of the Regulatory Condition. If the Conditions have all been satisfied (or waived, where applicable) prior to the date of the Greene King Meetings, then the Sanction Hearing is expected to be held on a date not later than 14 days after the date of the Greene King Meetings. The Scheme will become Effective on delivery of a copy of the Scheme Court Order to the Registrar of Companies.

If the Scheme becomes Effective:

- it will be binding on all Greene King Shareholders (other than Excluded Shareholders, if any) irrespective of whether or not they attended the Greene King Meetings or voted in favour of the Scheme at the Court Meeting or in favour of the Special Resolution at the Greene King General Meeting;
- share certificates in respect of Greene King Shares will cease to be valid and every Greene King Shareholder will be bound at the request of Greene King to deliver up their share certificate(s) to Greene King (or any person appointed by Greene King to receive the same) or to destroy the same; and
- entitlements to Greene King Shares held within the CREST system will be cancelled.

If the Scheme does not become Effective on or before the Long Stop Date, it will lapse and the Acquisition will not proceed (unless the Panel otherwise consents).

All Greene King Shareholders are entitled to attend the Sanction Hearing in person or through counsel.

Greene King will make an announcement via a Regulatory Information Service stating that the Scheme has become Effective as soon as practicable on or after the Effective Date.

No revision will be made to the Scheme less than 14 days prior to the date of the Greene King Meetings or following the Greene King Meetings without the consent of the Panel.

15 Greene King ADRs

The Scheme will not be extended to Greene King ADR Holders. Greene King ADR Holders will not be entitled to vote directly on the Scheme at the Court Meeting or the Special Resolution at the Greene King General Meeting. However, Greene King ADR holders have the right to instruct the Greene King ADR Depository how to vote the Greene King Shares underlying the Greene King ADRs with respect to the Scheme at the Court Meeting and the Special Resolution at the Greene King General Meeting, subject to and in accordance with the terms of the Greene King Deposit Agreement.

Greene King ADR Holders who wish to vote directly on the Scheme at the Court Meeting and the Special Resolution at the Greene King General Meeting, or to attend the Court Meeting or Greene King General Meeting in person or to attend the Sanction Hearing in person or through counsel, must surrender their Greene King ADRs to the Greene King ADR Depository, pay the Greene King ADR Depository's fees and charges in accordance with the Greene King Deposit Agreement and become holders of Greene King Shares prior to the Voting Record Time or Scheme Record Time, as applicable, and in each case subject to and in accordance with the terms of the Greene King Deposit Agreement. Such Greene King ADR Holders should take care to surrender their Greene King ADRs in time to permit processing to be completed by the Greene King ADR Depository and its custodian prior to the Voting Record Time or the Scheme Record Time, as applicable. If you hold Greene King ADRs through a broker or other securities intermediary, you should contact that intermediary to determine the date by which you must instruct that intermediary to act in order that the necessary processing can be completed in time.

If the Scheme becomes Effective, the Cash Consideration offered pursuant to the Scheme will not be received directly by holders of Greene King ADRs. Such Cash Consideration will be received by the Greene King ADR Depositary as nominee for and on behalf of the Greene King ADR Holders and converted by it into US dollars. The Greene King ADR Depositary will then call for surrender of the Greene King ADRs and, upon those surrenders, will deliver such converted amount, net of applicable fees, expenses, taxes and governmental charges, to the Greene King ADR Holders entitled to it in accordance with the terms of the Greene King Deposit Agreement. Thereafter, the Greene King ADR programme will be terminated.

16 Alternative means of implementing the Acquisition

CK Bidco reserves the right to elect with the consent of the Panel to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Acquisition will be implemented on substantially the same terms, subject to appropriate amendments, as those which would apply to the Scheme. The acceptance condition would be set at 75 per cent. of the shares to which such Takeover Offer relates (or such other percentage (being more than 50 per cent.) as may be required by the Panel or that CK Bidco may decide with the consent of the Panel). In such event, if sufficient acceptances of the Takeover Offer are received and/or sufficient Greene King Shares are otherwise acquired, it is the intention of CK Bidco to apply the provisions of the Companies Act 2006 to compulsorily acquire any outstanding Greene King Shares to which such Takeover Offer relates.

17 Cancellation of the listing of Greene King Shares and re-registration

Cancellation of the listing of Greene King Shares

Prior to the Scheme becoming Effective and subject to any applicable requirements of the Takeover Code, Greene King intends to make an application to the London Stock Exchange for cancellation of the trading of Greene King Shares on the Main Market of the London Stock Exchange, and to the FCA for the cancellation of the listing of Greene King Shares on the Official List, in each case to take effect on or shortly after the Effective Date.

The last day of dealings in Greene King Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately after the date on which the Court makes the Scheme Court Order and no transfers will be registered after 6.30 p.m. on that date (other than the registration of the transfer of the Greene King Shares to CK Bidco (and/or its nominees) pursuant to the Scheme).

On the Effective Date, share certificates in respect of Greene King Shares will cease to be valid and entitlements to Greene King Shares held within the CREST system will be cancelled.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, CK Bidco intends to: (i) request the London Stock Exchange to cancel trading in Greene King Shares on the Main Market of the London Stock Exchange, and the FCA to cancel the listing of Greene King Shares on the Official List; and (ii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act 2006 to acquire compulsorily the remaining Greene King Shares in respect of which the Takeover Offer has not been accepted.

Re-registration as a private limited company

It is intended that Greene King be re-registered as a private limited company as soon as practicable on or following the Effective Date.

18 Settlement

Scheme Shares

In order to settle the consideration payable in connection with the Scheme (and save as set out below in relation to the Greene King Share Plans) CK Bidco shall within 14 days of the Effective Date:

- in the case of Greene King Shareholders (other than Excluded Shareholders, if any) whose Greene King Shares are held in certificated form at the Scheme Record Time, procure the despatch to such Greene King Shareholders of cheques for the sums payable to such Scheme Shareholders; and
- in the case of Greene King Shareholders (other than Excluded Shareholders, if any) whose Greene King Shares are held in uncertificated form through CREST at the Scheme Record Time, procure that

Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively, provided that CK Bidco reserves the right to make payment of the said sums by cheque as set out above if, for reasons outside its reasonable control, it is not able to effect such settlement or to do so would incur material additional costs.

The consideration due to Greene King Shareholders will be paid in pounds sterling and, in the case of a cheque, drawn on a UK clearing bank.

All deliveries of cheques to Greene King Shareholders will be effected by sending the same by first class post (or international standard post or airmail, if overseas) to the persons entitled thereto at their respective addresses as appearing in the Greene King Register of Members as at the Scheme Record Time (and, in the case of joint holders, at the address of that one of the joint holders whose name stands first in such register in respect of such joint holding at the Scheme Record Time).

None of Greene King or CK Bidco or their respective agents shall be responsible for any loss or delay in the transmission or delivery of any cheques sent in accordance with this paragraph 18, which shall be sent at the risk of the persons entitled thereto.

Settlement in respect of Greene King Shares under the Greene King Share Plans

If any Greene King Shares are issued or transferred pursuant to the Greene King Share Plans after the Court sanctions the Scheme but prior to the Scheme Record Time, CK Bidco will pay to Greene King any consideration due to the holders of such Greene King Shares, which will be paid by Greene King to the relevant individual's bank account (into which their Greene King Group salary or wages are or were most recently paid, or in the case of participants in the Greene King plc Performance Share Plan 2013 who are no longer employed with the Greene King Group, into such account as they may specify) (after the deduction of any applicable exercise price, income tax and social security contributions) in accordance with the terms of the Scheme.

19 Taxation

Greene King Shareholders should read Part V of this document, which provides a summary of certain UK and US tax consequences of the Scheme relevant to Greene King Shareholders who are resident (or, in the case of individuals, domiciled and resident) in the UK and the US for tax purposes. This summary is intended as a general guide only and if you are in any doubt about your tax position, or are subject to taxation in any jurisdiction other than the UK and the US, you are strongly advised to consult an appropriate independent professional adviser.

20 United States and Overseas Shareholders

The availability of the Acquisition to Greene King Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Greene King Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by CK Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this document and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the

Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further information for United States and Overseas Shareholders is set out on pages 3 and 4 of this document. If you are a Greene King ADR Holder, please refer to paragraph 15 of this Part II for further details.

21 Action to be taken

Part A: Voting at the Greene King Meetings

The Scheme will require approval by Greene King Shareholders (other than Excluded Shareholders, if any) at the Court Meeting to be convened by order of the Court. Implementation of the Scheme also requires approval of the Special Resolution by Greene King Shareholders at the Greene King General Meeting.

The Court Meeting and the Greene King General Meeting will be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ. The Court Meeting will be held at 10.00 a.m. on 9 October 2019 and the Greene King General Meeting at 10.15 a.m. on 9 October 2019, or as soon thereafter as the Court Meeting has concluded or been adjourned.

Any Greene King Shares held by Excluded Shareholders (if any) may be voted at the Greene King General Meeting but not at the Court Meeting.

Notices of the Court Meeting and the Greene King General Meeting are set out at Parts IX and X of this document respectively.

Part B: Documents received

Please check that you have received the following with this document:

- a BLUE Form of Proxy for use in respect of the Court Meeting on 9 October 2019;
- a YELLOW Form of Proxy for use in respect of the Greene King General Meeting on 9 October 2019; and
- a pre-paid envelope for use within the UK.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Greene King Shareholder opinion. You are therefore strongly encouraged to complete, sign and return both of your Forms of Proxy in accordance with the instructions printed on them, or to appoint a proxy online or through CREST as soon as possible.

The completion and return of a Form of Proxy, or the appointment of a proxy online or through CREST as set out below, will not prevent you from attending and voting in person at the Court Meeting, the Greene King General Meeting or any adjournment thereof, if you so wish and are so entitled.

Part C: Instructions

Instructions for Greene King Shareholders holding certificated shares (i.e. not through CREST)

- (i) *Sending Forms of Proxy by post, by hand or by courier*

The Forms of Proxy must be received by Greene King's Registrar, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than the following times and dates:

- BLUE Forms of Proxy for the Court Meeting by 10.00 a.m. on 7 October 2019;
- YELLOW Forms of Proxy for the Greene King General Meeting by 10.15 a.m. on 7 October 2019; and

- in the case of an adjournment of either Greene King Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time and date set for the adjourned Greene King Meeting.

This will enable your votes to be counted at the Greene King Meetings in the event of your absence.

Alternatively, BLUE Forms of Proxy (but NOT YELLOW Forms of Proxy) may be handed to Greene King's Registrar or the Chairman of the Court Meeting at the start of the Court Meeting at 10.00 a.m. on 9 October 2019 (or any adjournment thereof). However, in the case of the Greene King General Meeting, unless the YELLOW Form of Proxy is returned by the time and date mentioned above, it will be invalid.

(ii) *Online proxy appointment*

Greene King Shareholders can also register their proxy appointment online via www.greeneking-shares.com by logging in and selecting the "Proxy Voting" link. For an online proxy appointment to be valid, the appointment must be received by Greene King's Registrar no later than:

- for the Court Meeting, by 10.00 a.m. on 7 October 2019;
- for the Greene King General Meeting, by 10.15 a.m. on 7 October 2019; and
- in the case of an adjournment of either Greene King Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time and date set for the adjourned Greene King Meeting.

Please note that separate appointments of a proxy or proxies need to be made for the Court Meeting and the Greene King General Meeting.

Instructions for Greene King Shareholders holding uncertificated shares through CREST

(i) *CREST electronic proxy appointment service*

Greene King Shareholders who hold Greene King Shares through CREST and who wish to appoint a proxy or proxies for the Greene King Meetings or any adjournment(s) thereof by using the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual (available at <https://my.euroclear.com>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the online instructions to a previously appointed proxy, must, to be valid, be transmitted so as to be received by Greene King's Registrar (under CREST ID RA10) no later than:

- for the Court Meeting, by 10.00 a.m. on 7 October 2019;
- for the Greene King General Meeting, by 10.15 a.m. on 7 October 2019; and
- in the case of an adjournment of either of the Greene King Meetings, not later than 48 hours (excluding any part of a day that is not a working day) before the time and date set for the adjourned Greene King Meeting.

For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Link Asset Services are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the proxy through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a

message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Greene King may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(ii) *Sending Forms of Proxy by post, by hand or by courier, or online proxy appointment*

Greene King Shareholders who hold Greene King Shares through CREST may, as an alternative to using the CREST electronic proxy appointment service, appoint a proxy by completing and returning a BLUE Form of Proxy and a YELLOW Form of Proxy, or online via www.greeneking-shares.com by logging in and selecting the "Proxy Voting" link, in each case in accordance with the instructions set out above for holders of certificated shares.

Instructions for other indirect Greene King Shareholders

If you hold Greene King Shares indirectly you must rely on the procedures of the bank, broker, financial institution or share plan administrator through which you hold Greene King Shares. You should contact such intermediary for instructions on how you can instruct that intermediary to vote on your behalf at the Greene King Meetings and the date by which you must provide such instructions to the intermediary.

Multiple proxy voting instructions

As a registered Greene King Shareholder, you are entitled to appoint a proxy in respect of some or all of your Greene King Shares. You are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different Greene King Share or Greene King Shares held by you. A proxy need not be a Greene King Shareholder. A space has been included on the Forms of Proxy to allow you to specify the number of Greene King Shares in respect of which that proxy is appointed.

If you wish to appoint more than one proxy in respect of your shareholding, please photocopy the Forms of Proxy or contact Greene King's Registrar via the Shareholder Helpline on the numbers indicated in paragraph 22 of this Part II.

Instructions for Greene King ADR Holders

If you are a registered holder of Greene King ADRs, please refer to paragraph 15 of this Part II for further details. If you hold your Greene King ADRs indirectly you must rely on the procedures of the bank, broker, financial institution or share plan administrator through which you hold your Greene King ADRs if you wish to provide voting instructions.

Greene King Share Plans

Details of the arrangements proposed to be implemented in relation to the Greene King Share Plans in connection with the Acquisition are set out in paragraph 12 of this Part II.

United States and Overseas Shareholders

Overseas Shareholders and Greene King Shareholders who have a registered address in or are resident in, ordinarily resident in, or a citizen of, the United States, should refer to paragraph 20 of this Part II for further information on action to be taken.

22 Shareholder Helpline

If you have any questions relating to this document or the completion and return of the Forms of Proxy, please call the Shareholder Helpline on 0871 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside the UK. Calls cost 12p per minute plus your phone company's access charge. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

Please note that the Shareholder Helpline cannot provide legal, tax or financial advice or any advice on the merits of the Scheme or the Acquisition.

23 Further information

The terms of the Scheme are set out in full in Part VII of this document. Your attention is also drawn to the further information contained in this document and, in particular, to Part III, Part IV, Part V, Part VI and Part VII, to the expected timetable of principal events set out on pages 11 and 12 of this document, all of which form part of this Explanatory Statement.

Yours faithfully

Andrew Seaton
Managing Director
for and on behalf of
Citigroup Global Markets Limited

John Deans
Chairman UK Global Advisory
for and on behalf of
N.M. Rothschild and Sons Limited

PART III
CONDITIONS TO AND FURTHER TERMS OF THE SCHEME AND THE ACQUISITION

Part A: Conditions to the Scheme and the Acquisition

1. The Acquisition is conditional upon the Scheme becoming unconditional and effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date.

Scheme approval

2. The Scheme is subject to the following Conditions:
 - (a) (i) its approval by a majority in number of the Scheme Shareholders who are present and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof) and who represent 75 per cent. or more in value of the Scheme Shares voted by those Scheme Shareholders; and (ii) such Court Meeting being held on or before 31 October 2019 (or such later date as may be agreed between CK Bidco and Greene King (and that the Court may allow));
 - (b) (i) the resolutions required to implement the Scheme being duly passed at the Greene King General Meeting (or any adjournment thereof); and (ii) such Greene King General Meeting being held on or before 31 October 2019 (or such later date as may be agreed between CK Bidco and Greene King (and that the Court may allow)); and
 - (c) (i) the sanction of the Scheme by the Court (with or without modification (but subject to such modification being acceptable to CK Bidco and Greene King)) and the delivery of a copy of the Scheme Court Order to the Registrar of Companies; and (ii) the Sanction Hearing being held on or before the 22nd day after the expected date of the Sanction Hearing (or such later date as may be agreed between CK Bidco and Greene King (and that the Court may allow)).

Other conditions

3. The Acquisition is also conditional upon the following conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where capable of waiver, waived:

CKA Shareholder approval

- (a) the passing at the CKA General Meeting (or any adjournment thereof) of such resolution or resolutions as are necessary to approve, implement and effect the Acquisition (as such resolutions may be set out in the CKA Circular);

Antitrust

- (b) in so far as the Acquisition constitutes a concentration with a Community dimension within the scope of Council Regulation (EC) 139/2004/EC (the “**Council Regulation**”), the European Commission:
 - (i) taking a decision (or being deemed to have taken such a decision or one with equivalent effect) under Article 6(1)(b) of the Council Regulation declaring the Acquisition compatible with the common market, in terms reasonably satisfactory to CK Bidco (including, for the avoidance of doubt, where such a decision is taken on or after the date of withdrawal of the United Kingdom from the European Union as set out in the European Union (Withdrawal Act) 2018 (as amended from time to time) or where the European Commission indicates it will not take such a decision due to the withdrawal of the United Kingdom from the European Union and that withdrawal has occurred); or
 - (ii) taking a decision (or being deemed to have taken a decision) to refer the Acquisition to the competent authorities of one or more member states under Article 9(3) or Article 4(4) of the Council Regulation;

Other Third Party clearances

- (c) other than in respect of Condition 3(b) or the CMA, no central bank, government or governmental, quasi governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or

investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:

- (i) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Greene King Group by any member of the Wider CKA Group void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or materially restrain, restrict, impede, challenge, delay or otherwise materially interfere with the approval or implementation of, or impose additional material conditions or obligations with respect to, the Acquisition or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Greene King Group by any member of the Wider CKA Group;
- (ii) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider CKA Group or by any member of the Wider Greene King Group of all or any material part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider Greene King Group taken as a whole or the Wider CKA Group taken as a whole;
- (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider CKA Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Greene King (or any member of the Wider Greene King Group) or on the ability of any member of the Wider Greene King Group or any member of the Wider CKA Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider Greene King Group to an extent which is material in the context of the Wider Greene King Group taken as a whole or the Wider CKA Group taken as a whole;
- (iv) other than pursuant to the implementation of the Scheme, require any member of the Wider CKA Group or the Wider Greene King Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Greene King Group or any asset owned by any third party which is material in the context of the Wider Greene King Group or the Wider CKA Group, in either case taken as a whole;
- (v) require, prevent or materially delay a divestiture by any member of the Wider CKA Group of any shares or other securities (or the equivalent) in any member of the Wider Greene King Group;
- (vi) result in any member of the Wider Greene King Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider Greene King Group taken as a whole;
- (vii) impose any material limitation on the ability of any member of the Wider CKA Group or any member of the Wider Greene King Group to conduct, integrate or co ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider CKA Group and/or the Wider Greene King Group in a manner which is adverse to the Wider CKA Group and/or the Wider Greene King Group, in either case, taken as a whole; or
- (viii) except as Disclosed, otherwise affect the business, assets, value, profits, prospects or operational performance of any member of the Wider Greene King Group or any member of the Wider CKA Group in each case in a manner which is adverse to and material in the context of the Wider Greene King Group taken as a whole or of the obligations of any members of the Wider CKA Group taken as a whole;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or proposed acquisition of any Greene King Shares or otherwise intervene having expired, lapsed, or been terminated;

- (d) other than a notification or filing to the CMA, all notifications, filings or applications which are deemed by CK Bidco to be necessary or appropriate having been made in connection with the Acquisition and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition and all Authorisations which are deemed by CK Bidco to be necessary or appropriate in any jurisdiction for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, Greene King by any member of the Wider CKA Group having been obtained in terms and in a form reasonably satisfactory to CK Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Greene King Group or the Wider CKA Group has entered into contractual arrangements and all such Authorisations which are deemed by CK Bidco to be necessary or appropriate to carry on the business of any member of the Wider Greene King Group in any jurisdiction having been obtained in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider Greene King Group, any member of the Wider CKA Group or the ability of CK Bidco to implement the Scheme and all such Authorisations remaining in full force and effect at the time at which the Scheme becomes otherwise unconditional in all respects and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

Confirmation of absence of adverse circumstances

- (e) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Greene King Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider CKA Group of any shares or other securities in Greene King or because of a change in the control or management of any member of the Wider Greene King Group or otherwise, would or might reasonably be expected to result in, and in each case to an extent which is material in the context of the Wider Greene King Group taken as a whole:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider Greene King Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) the rights, liabilities, obligations, interests or business of any member of the Wider Greene King Group or any member of the Wider CKA Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Greene King Group or any member of the Wider CKA Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or becoming capable of being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
 - (iii) any member of the Wider Greene King Group ceasing to be able to carry on business under any name under which it presently carries on business;
 - (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Greene King Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Greene King Group otherwise than in the ordinary course of business;

- (v) the creation, save in the ordinary and usual course of business, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Greene King Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
- (vi) the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Greene King Group being prejudiced or adversely affected;
- (vii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Greene King Group other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (viii) any liability of any member of the Wider Greene King Group to make any severance, termination, bonus or other payment to any of its directors or other officers;

No material transactions, claims or changes in the conduct of the business of the Greene King Group

- (f) except as Disclosed, no member of the Wider Greene King Group having since 28 April 2019:
 - (i) save as between Greene King and its wholly owned subsidiaries or between such wholly owned subsidiaries and save for the issue or transfer out of treasury of Greene King Shares on the exercise of options or vesting of awards granted in the ordinary course under the Greene King Share Plans, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Greene King Shares out of treasury;
 - (ii) save for the Final Dividend, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than to Greene King or one of its wholly owned subsidiaries;
 - (iii) save as between Greene King and its wholly owned subsidiaries or between such wholly owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any material assets or any right, title or material interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so;
 - (iv) save as between Greene King and its wholly owned subsidiaries or between such wholly owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital;
 - (v) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between Greene King and its wholly owned subsidiaries or between such wholly owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider Greene King Group taken as a whole;
 - (vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any material contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is, in any such case, material in the context of the Greene King Group or in the context of the Acquisition, or which is or is reasonably likely to be restrictive on the business of any member of the Wider Greene King Group to an extent which is or is likely to be material to the Wider Greene King Group taken as a whole;

- (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider Greene King Group which are material in the context of the Wider Greene King Group taken as a whole and outside the normal course of business;
- (viii) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider Greene King Group save for salary increases, bonuses or variations of terms in the ordinary course;
- (ix) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider Greene King Group which, taken as a whole, are material in the context of the Wider Greene King Group taken as a whole;
- (x) (I) proposed, made or agreed to any significant change to: (a) the terms of the trust deeds, rules, policy or other governing documents constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider Greene King Group or their dependants (a “**Relevant Pension Plan**”); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; (d) the manner in which the assets of any Relevant Pension Plan are invested; (e) the basis or rate of employer contribution to a Relevant Pension Plan; or (II) enter into or propose to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (III) carry out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or might create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would or might give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 to 56 inclusive of the Pensions Act 2004 in relation to the scheme;
- (xi) changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;
- (xii) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Scheme) otherwise than in the ordinary course of business which is material in the context of the Wider Greene King Group taken as a whole;
- (xiii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub paragraph (i) above, made any other change to any part of its share capital to an extent which (other than in the case of Greene King) is material in the context of the Wider Greene King Group taken as a whole;
- (xiv) other than with respect to claims between Greene King and its wholly owned subsidiaries (or between such subsidiaries), waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Greene King Group taken as a whole;
- (xv) made any material alteration to its articles of association or other constitutional documents (in each case, other than in connection with the Scheme);
- (xvi) (other than in respect of a member of the Wider Greene King Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or

revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;

- (xvii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Greene King Group taken as a whole;
- (xviii) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (xix) terminated or varied the terms of any agreement or arrangement between any member of the Wider Greene King Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider Greene King Group taken as a whole; or
- (xx) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Greene King Shareholders in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

No material adverse change

- (g) since 28 April 2019, and except as Disclosed, there having been:
 - (i) no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Greene King Group to an extent which is material to the Wider Greene King Group taken as a whole;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider Greene King Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider Greene King Group or to which any member of the Wider Greene King Group is or may become a party (whether as claimant or defendant or otherwise) and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Greene King Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider Greene King Group which, in any such case, might reasonably be expected to have a material adverse effect on the Wider Greene King Group taken as a whole;
 - (iii) no contingent or other liability having arisen, increased or become apparent other than in the ordinary course of business which is reasonably likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider Greene King Group to an extent which is material to the Greene King Group taken as a whole; and
 - (iv) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Greene King Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and likely to have an adverse effect on the Greene King Group taken as a whole;
- (h) since 28 April 2019, and except as Disclosed, CK Bidco not having discovered:
 - (i) that any financial, business or other information concerning the Wider Greene King Group publicly announced prior to the date of the Rule 2.7 Announcement or disclosed to any member of the Wider CKA Group prior to the date of the Rule 2.7 Announcement by or on behalf of any member of the Wider Greene King Group or to any of their advisers is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make

that information not misleading and which is, in any case, material in the context of the Wider Greene King Group taken as a whole;

- (ii) that any member of the Wider Greene King Group is subject to any liability, contingent or otherwise, which is material in the context of the Wider Greene King Group taken as a whole; or
- (iii) any information which affects the import of any information disclosed to CK Bidco at any time by or on behalf of any member of the Wider Greene King Group which is material in the context of the Wider Greene King Group;

Environmental liabilities

- (i) except as Disclosed, CK Bidco not having discovered that:
 - (i) any past or present member of the Wider Greene King Group has not complied in any material respect with all applicable legislation or regulations, notices or other requirements of any jurisdiction or any Third Party or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or greenhouse gas, or any substance likely to impair the environment (including property) or harm the health of humans, animals or other living organisms or eco systems or otherwise relating to environmental matters or the health and safety of humans, which non compliance would be likely to give rise to any material liability including any penalty for non compliance (whether actual or contingent) on the part of any member of the Wider Greene King Group taken as a whole; or
 - (ii) there has been a material disposal, discharge, spillage, accumulation, leak, emission, release or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or greenhouse gas or any substance likely to impair the environment (including any property) or harm human health which (whether or not giving rise to non compliance with any law or regulation) would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider Greene King Group taken as a whole; or
 - (iii) there is or is likely to be any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, re instate or clean up any property, asset currently or previously owned, occupied or made use of by any past or present member of the Wider Greene King Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, or other elements of the environment (including any controlled waters) under any environmental legislation, common law, regulation, notice, circular, Authorisation, other legally binding requirement or order of any Third Party or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto in any such case to an extent which is material in the context of the Wider Greene King Group taken as a whole; or
 - (iv) circumstances exist (whether as a result of the Acquisition or otherwise):
 - (I) which would be likely to lead to any Third Party instituting; or
 - (II) whereby any member of the Wider CKA Group or any member of the Wider Greene King Group would be likely to be required to institute,

an environmental audit or take any other steps which would in any such case be likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider Greene King Group (or on its behalf) or by any person for which a member of the Wider Greene King Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the Wider Greene King Group taken as a whole; or
 - (v) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider Greene King Group which claim or claims would be likely to affect

any member of the Wider Greene King Group and which is material in the context of the Wider Greene King Group taken as a whole;

Intellectual property

- (j) no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider Greene King Group which would have a material adverse effect on the Wider Greene King Group taken as a whole or is otherwise material in the context of the Acquisition, including:
 - (i) any member of the Wider Greene King Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider Greene King Group and material to its business being revoked, cancelled or declared invalid;
 - (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider Greene King Group to, or the validity or effectiveness of, any of its intellectual property; or
 - (iii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider Greene King Group being terminated or varied;

Anti-corruption and sanctions

- (k) except as Disclosed, CK Bidco not having discovered that:
 - (i) any past or present member of the Wider Greene King Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti corruption legislation;
 - (ii) any member of the Wider Greene King Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended);
 - (iii) any past or present member of the Wider Greene King Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; or
 - (iv) a member of the Greene King Group has engaged in a transaction which would cause the CKA Group to be in breach of any law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states;

No criminal property

- (l) except as Disclosed, CK Bidco not having discovered that any asset of any member of the Wider Greene King Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

PART B: Further terms of the Acquisition

1. Subject to the requirements of the Panel in accordance with the Takeover Code, CK Bidco reserves the right to waive, in whole or in part, all or any of the Conditions in Part A above, except Conditions 2(a)(i), 2(b)(i), 2(c)(i) and 3(a), which cannot be waived.
2. CK Bidco shall be under no obligation to waive or treat as satisfied any of the Conditions that it is entitled (with the consent of the Panel) to invoke, by a date earlier than the latest date for the fulfilment or waiver of that Condition, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

3. If CK Bidco is required by the Panel to make an offer for Greene King Shares under the provisions of Rule 9 of the Takeover Code, CK Bidco may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
4. Under Rule 13.5(a) of the Takeover Code, CK Bidco may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to CK Bidco in the context of the Acquisition. The Conditions contained in paragraphs 2 and 3(a) above and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Takeover Code.
5. CK Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme, with the consent of the Panel. In such event, the Acquisition will be implemented on the same terms (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 75 per cent. (or such other percentage (being more than 50 per cent.) as the Panel may require or CK Bidco may, subject to the rules of the Takeover Code, decide) of the shares to which the Takeover Offer relates and those required by, or deemed appropriate by, CK Bidco under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such offer are received and/or sufficient Greene King Shares are otherwise acquired, it is the intention of CK Bidco to apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding Greene King Shares to which such Takeover Offer relates.
6. The Acquisition will lapse if there is a Phase 2 CMA Reference before the Court Meeting and the Greene King General Meeting. In such event, Greene King will not be bound by the terms of the Scheme.
7. The Acquisition will lapse if the European Commission initiates proceedings under Article 6(1)(c) of the Council Regulation before the Court Meeting and the Greene King General Meeting. In such event, Greene King will not be bound by the terms of the Scheme.
8. The Acquisition is governed by English law and is subject to the jurisdiction of the English courts and to the Conditions and further terms of the Scheme and the Acquisition set out in this document. The Scheme is subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Listing Rules, the FCA and the Registrar of Companies.
9. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
10. The Greene King Shares will be acquired pursuant to the Acquisition with full title guarantee, fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid or any other return of value on or after the Effective Date (other than the Final Dividend).
11. If, on or after the date of the Rule 2.7 Announcement and before the Effective Date, any dividend and/or other distribution and/or return of capital is declared, made or paid or becomes payable in respect of the Greene King Shares (other than the Final Dividend), CK Bidco reserves the right to reduce the Cash Consideration payable under the terms of the Acquisition for the Greene King Shares by an amount up to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in the Rule 2.7 Announcement or in this document to the Cash Consideration payable under the terms of the Acquisition will be deemed to be a reference to the Cash Consideration as so reduced. In such circumstances, the relevant Greene King Shareholder will be entitled to receive and retain such dividend and/or other distribution and/or return of capital.
12. The Acquisition is subject, *inter alia*, to the Conditions and certain further terms which are set out in this Part III and such further terms as may be required to comply with the Listing Rules and the provisions of the Takeover Code.
13. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements.
14. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.

**PART IV
FINANCIAL AND RATINGS INFORMATION**

Part A: Financial information relating to Greene King

The following sets out financial information in respect of Greene King as required by Rule 24.3 of the Takeover Code. The documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this document by reference pursuant to Rule 24.15 of the Takeover Code:

<u>Financial information</u>	<u>Reference</u>	<u>Pages</u>
Trading statement for the 18 weeks to 1 September 2019	https://www.greeneking.co.uk/media/4287/2019-q1-trading-update-final.pdf	N/A
Audited accounts for the financial year ended 28 April 2019, as set out in the 2019 Greene King Annual Report	https://www.greeneking.co.uk/media/4209/greene-king-ar19.pdf	98 – 178
Audited accounts for the financial year ended 29 April 2018, as set out in the 2018 Greene King Annual Report	https://www.greeneking.co.uk/media/4029/greene-king-plc-annual-report-2018.pdf	76 – 131

Following the restatement of historic deferred tax balances, details of which are set out in Notes 1 & 10 to the published accounts for the 52 weeks ended 28 April 2019, Greene King continues to review its deferred tax position which could result in subsequent financial statements being adjusted for items relating to prior years.

Part B: Greene King credit ratings information

There are ten classes of notes (including the Class A7 Notes) issued by the Note Issuer First SPV and guaranteed by a member of the Greene King Group, GKRL, which remain outstanding as at the date of this document. The Class A1, Class A2, Class A3, Class A4, Class A5, Class A6 and Class A7 Notes have been assigned credit ratings of BBB(sf) by S&P and BBB+ by Fitch. The Class AB2 notes has been assigned a credit rating of BBB-(sf) by S&P and BBB by Fitch. The Class B1 and Class B2 notes have been assigned credit ratings of BB+(sf) by S&P and BBB- by Fitch.

There are also two classes of debenture bonds (the Class A2 and Class A5 debenture bonds) issued by the Note Issuer Second SPV, which remain outstanding as at the date of this document. The Class A2 and Class A5 debenture bonds have been assigned credit ratings of BB+ by S&P, BB by Fitch and Ba1(sf) by Moody's. The proceeds of the debenture bonds were on-lent by the Note Issuer Second SPV to members of the Greene King Group as borrowers and the payment obligations of the Note Issuer Second SPV under the debenture bonds are supported by the operating cash flows generated by the relevant members of the Greene King Group through the estate of pubs beneficially owned by them.

Greene King has an ongoing capital management programme pursuant to which it repurchases some of the outstanding bonds from time to time.

No rating agency has publicly recorded any current credit ratings or outlooks for Greene King.

Part C: Financial information relating to CK Bidco and CKA

CK Bidco was incorporated on 9 August 2019 and has not traded since incorporation, nor has it entered into any obligations, other than in connection with the Acquisition.

The following sets out financial information in respect of CKA as required by Rule 24.3 of the Takeover Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Takeover Code:

<u>Financial information</u>	<u>Reference</u>	<u>Pages</u>
Interim accounts for the six months ended 30 June 2019	https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0815/ltn20190815342.pdf	48 – 58
Audited accounts for the financial year ended 31 December 2018, as set out in the 2018 annual report of CKA	https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0409/ltn20190409588.pdf	140 – 178
Audited accounts for the financial year ended 31 December 2017, as set out in the 2017 annual report of CKA	https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0406/ltn20180406599.pdf	140 – 178

Part D: CK Bidco and CKA credit ratings information*CK Bidco*

As CK Bidco was incorporated on 9 August 2019 for the purposes of making the Acquisition, there are no current ratings or outlooks publicly accorded to CK Bidco by ratings agencies.

CKA

Prior to the commencement of the Offer Period, CKA had a Moody's long-term Issuer Credit Rating of A2, outlook Stable and Standard & Poor's Issuer Credit Rating of A, outlook Stable.

CKA's credit ratings and outlook have not changed since the commencement of the Offer Period.

No incorporation of website information

Save as expressly referred to herein, neither the content of Greene King's or CKA's website, nor the content of any website accessible from hyperlinks on Greene King's or CKA's website, is incorporated into, or forms part of, this document.

PART V TAXATION

The following paragraphs relate only to certain categories of Greene King Shareholders who are resident in the United Kingdom or the United States (or are otherwise US Holders (as defined below)). Greene King Shareholders or prospective Greene King Shareholders who are resident or otherwise subject to taxation in a jurisdiction other than the United Kingdom or the United States should consult their own professional advisers immediately.

1 United Kingdom Taxation

The comments set out below are based on current UK tax law as applied in England and Wales and current HMRC practice (which may not be binding on HMRC) as at the date of this document, both of which are subject to change at any time, possibly with retrospective effect. They are intended as a general guide to certain limited aspects of UK tax treatment of Greene King Shareholders in respect of the Scheme and apply only to Scheme Shareholders resident and, in the case of an individual, domiciled or deemed domiciled for UK tax purposes in the United Kingdom and to whom “split year” treatment does not apply (except insofar as express reference is made to the treatment of non-UK residents), who hold shares in Greene King as an investment (otherwise than through an individual savings account or a pension arrangement) and who are the absolute beneficial owners thereof. This discussion does not address all possible tax consequences relating to an investment in the Scheme Shares. Certain categories of Scheme Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefitting from certain reliefs and exemptions, those connected with Greene King or the Greene King Group and those for whom the shares are employment related securities may be subject to special rules and this summary does not apply to such shareholders.

The comments set out below do not constitute tax or legal advice. Greene King Shareholders or prospective Greene King Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

UK Tax Consequences of the Scheme

(i) UK Tax on Chargeable Gains

The receipt by a Scheme Shareholder of cash pursuant to the Scheme will result in that Scheme Shareholder being treated as disposing of Scheme Shares which may, depending on the shareholder’s individual circumstances (including the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK tax on chargeable gains.

(ii) UK Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

No UK stamp duty or SDRT will be payable by Scheme Shareholders on the transfer of their Scheme Shares pursuant to the Scheme.

2 US Federal Income Taxation

The following is a summary of certain US federal income tax consequences to US Holders (as defined below) of the transfer of Greene King Shares in exchange for cash pursuant to the Scheme. This summary deals only with the receipt of cash in exchange for Greene King Shares pursuant to the Scheme and only addresses consequences to US Holders that hold the Greene King Shares or Greene King ADRs as capital assets for US federal income tax purposes. The discussion does not constitute tax or legal advice nor does it cover all aspects of US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the receipt of cash in exchange for Greene King Shares pursuant to the Scheme by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-US or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 5 per cent. or more of the stock of Greene King by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the US federal income tax laws (such as certain financial institutions, insurance companies, individual retirement accounts and other tax deferred accounts, tax exempt organisations,

dealers or traders in securities or currencies that use a mark-to-market method of tax accounting, investors that hold the Greene King Shares or Greene King ADRs as part of straddles, hedging transactions or conversion transactions for US federal income tax purposes, persons that have ceased to be US citizens or lawful permanent residents of the United States, investors holding Greene King Shares or Greene King ADRs in connection with a trade or business conducted outside of the United States, US citizens or lawful permanent residents living abroad, investors whose functional currency is not the US dollar or investors who have made a mark-to-market or qualified electing fund election).

As used herein, the term “**US Holder**” means a beneficial owner of Greene King Shares or Greene King ADRs that is, for US federal income tax purposes: (i) an individual citizen or resident of the United States; (ii) a corporation created or organised under the laws of the United States or any State thereof; (iii) an estate the income of which is subject to US federal income tax without regard to its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for US federal income tax purposes.

The US federal income tax treatment of a partner in an entity or arrangement treated as a partnership for US federal income tax purposes that holds Greene King Shares or Greene King ADRs will depend on the status of the partner and the activities of the partnership. Prospective participants in the Scheme that are entities or arrangements treated as partnerships for US federal income tax purposes should consult their tax advisers concerning the US federal income tax consequences to them and their partners of participating in the Scheme.

This summary further assumes that Greene King is not and has never been a “passive foreign investment company” (a “**PFIC**”) for US federal income tax purposes. Greene King believes that it was not a PFIC for its most recently completed taxable year. However, it cannot provide any assurance that it was not a PFIC in any other prior year. If Greene King had been a PFIC in any prior year in which a US Holder held its Greene King Shares or Greene King ADRs (or such Greene King Shares or Greene King ADRs were otherwise treated as shares in a PFIC), the consequences to such a US Holder may be materially different from, and materially less favourable than, those discussed below. US Holders should consult their tax advisers concerning the potential application of the PFIC regime.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PARTICIPANTS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF PARTICIPATING IN THE SCHEME, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-US AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Greene King ADRs

For US federal income tax purposes, a US Holder of Greene King ADRs generally will be treated as the owner of the corresponding number of Greene King Shares held by the Greene King ADR Depository, and references herein to Shares refer also to Greene King ADRs representing the Greene King Shares.

Treatment of the Scheme

Upon the receipt by a US Holder (or the Greene King ADR Depository, in the case of a US Holder of Greene King ADRs) of cash pursuant to the Scheme, a US Holder will recognise capital gain or loss for US federal income tax purposes equal to the difference, if any, between the amount of cash received and the US Holder’s adjusted tax basis in the Greene King Shares transferred pursuant to the Scheme, in each case as determined in US dollars. This capital gain or loss will be long-term capital gain or loss if the US Holder’s holding period in the Greene King Shares exceeds one year on the Effective Date. Any gain or loss generally will be US source for foreign tax credit purposes. The deductibility of capital losses is subject to various limitations. US Holders should consult their own tax advisers about how to account for consideration received pursuant to the Scheme that is not paid in US dollars.

Backup Withholding and Information Reporting

The Scheme and payments of consideration with respect to Greene King Shares by a US paying agent or other US intermediary will be reported to the US Internal Revenue Service and to the US Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain US Holders are not subject to backup withholding. The amount of any backup withholding from a payment to a US Holder will be allowed as a credit against the holder's US federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the US Internal Revenue Service. US Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the Scheme or the receipt of consideration. Failure to comply with applicable reporting obligations could result in the imposition of substantial penalties.

**PART VI
ADDITIONAL INFORMATION**

1 Responsibility statements

- 1.1 The Greene King Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information (and expressions of opinion) contained in this document other than the information (and expressions of opinion) for which responsibility is taken by others pursuant to paragraph 1.2 of this Part VI. To the best of the knowledge and belief of the Greene King Directors (who have taken all reasonable care to ensure that such is the case), the information (and expressions of opinion) contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information (and expressions of opinion).
- 1.2 The CK Bidco Directors and the CKA Directors, whose names are set out in paragraphs 2.3 and 2.5 below, respectively, accept responsibility for the information (and expressions of opinion) contained in this document relating to CK Bidco, CKA, the CKA Group, the CK Bidco Directors, the CKA Directors and their respective close relatives and the related trusts and companies and persons acting, or presumed to be acting, in concert with CK Bidco or CKA (as such term is defined in the Takeover Code). To the best of the knowledge and belief of the CK Bidco Directors and the CKA Directors (who have taken all reasonable care to ensure that such is the case), the information (and expressions of opinion) contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information (and expressions of opinion).

2 Directors and registered offices

- 2.1 The Greene King Directors and their respective functions are:

<u>Name</u>	<u>Position held</u>
Philip Yea	Chairman
Nick Mackenzie	Chief Executive Officer
Richard Smothers	Chief Financial Officer
Rob Rowley	Senior Independent Non-Executive Director
Mike Coupe	Non-Executive Director
Lynne Weedall	Non-Executive Director
Gordon Fryett	Non-Executive Director
Sandra Turner	Non-Executive Director

- 2.2 Greene King's registered office is at Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT and its telephone number is 01284 763222.

- 2.3 The CK Bidco Directors and their respective functions are:

<u>Name</u>	<u>Position held</u>
Edmond Wai Leung Ho	Director
Kong Ting Chow	Director

- 2.4 CK Bidco's registered office is 3 More London Riverside, London, United Kingdom, SE1 2AQ.

2.5 The CKA Directors and their respective functions are:

<u>Name</u>	<u>Position held</u>
Li Tzar Kuoi, Victor	Chairman and Managing Director
Kam Hing Lam	Deputy Managing Director
Ip Tak Chuen, Edmond	Deputy Managing Director
Chung Sun Keung, Davy	Executive Director
Chiu Kwok Hung, Justin	Executive Director
Chow Wai Kam, Raymond	Executive Director
Pau Yee Wan, Ezra	Executive Director
Woo Chia Ching, Grace	Executive Director
Cheong Ying Chew, Henry	Independent Non-Executive Director
Chow Nin Mow, Albert	Independent Non-Executive Director
Hung Siu-lin, Katherine	Independent Non-Executive Director
Colin Stevens Russel	Independent Non-Executive Director
Donald Jeffrey Roberts	Independent Non-Executive Director

2.6 CKA’s registered office is PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands with its principal place of business in Hong Kong at 7/F., Cheung Kong Center, 2 Queen’s Road Central, Hong Kong.

3 Middle market quotations

Set out below are the closing middle market quotations of Greene King Shares as derived from the Daily Official List on:

- (i) the first Business Day of each of the six months immediately prior to the date of this document;
- (ii) 16 August 2019 (being the last Business Day before the commencement of the Offer Period); and
- (iii) the Latest Practicable Date: 13 September 2019.

<u>Date</u>	<u>Greene King Share (pence)</u>
1 April 2019	664.00
1 May 2019	616.40
3 June 2019	632.80
1 July 2019	623.00
1 August 2019	632.60
16 August 2019	563.00
2 September 2019	840.00
13 September 2019	842.20

Please note that past performance of securities is no guide to their future performance and the information provided in this paragraph 3 is historical and not forward-looking.

4 Significant CKA Shareholders

As at the Latest Practicable Date, the persons who hold a direct interest of five per cent. or more in the issued share capital of CKA are as follows:

<u>Name</u>	<u>Number of CKA shares</u>	<u>Approx. percentage issued share capital of CKA</u>
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust (the “Trustee”) ⁽¹⁾	1,003,380,744	27.17
BlackRock, Inc.	226,025,652	6.12

Note:

- (1) The Trustee together with the other two trustees of the Li Ka-shing family trusts (the “Trusts”) hold in aggregate 1,160,195,710 CKA Shares (representing approximately 31.41 per cent. of the existing issued share capital of CKA as at the Latest Practicable Date). The Trusts are established for the purpose of holding assets and investments for the Li Ka-shing family. As

disclosed in paragraph 7.2.2 below, CKA indirectly holds 2.9 per cent. of Greene King Shares and also owns a small portfolio of freehold pubs, all of which are leased to the Greene King Group. The trustees of the Trusts have no existing direct investments in businesses in the pub or brewing sectors.

5 Persons acting in concert

5.1 Persons acting in concert with Greene King

The persons who, for the purposes of the Takeover Code, are acting in concert with Greene King in addition to the Greene King Directors (including members of their close relatives and related trusts) and members of the Greene King Group and any other persons disclosed in paragraph 6.1 of this Part VI as such, are:

<u>Name</u>	<u>Individual or, if company, type of company</u>	<u>Registered address</u>	<u>Relationship with Greene King</u>
Citigroup Global Markets Limited	Financial Services	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Financial Adviser and Joint Corporate Broker
N.M. Rothschild and Sons Limited	Financial Services	New Court, St Swithin's Lane, London EC4N 8AL	Financial Adviser
Peel Hunt LLP	Financial Services	Moor House, 120 London Wall, London EC2Y 5ET	Joint Corporate Broker

5.2 Persons acting in concert with CK Bidco

In addition to the CK Bidco Directors and CKA Directors (each together with their close relatives and related trusts), members of the CKA Group and the Trusts, the persons who, for the purposes of the Takeover Code, are acting in concert with CK Bidco and CKA in respect of the Acquisition and who are required to be disclosed are:

<u>Name</u>	<u>Individual or, if company, type of company</u>	<u>Registered address</u>	<u>Relationship with CK Bidco</u>
HSBC Bank plc	Financial Services	8 Canada Square, London E14 5HQ	Financial Adviser

6 Irrevocable Undertakings

6.1 Greene King Directors

The following Greene King Directors, being all those Greene King Directors who hold Greene King Shares, have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the Greene King General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept the Takeover Offer) in respect of all of the Greene King Shares of which they are the respective beneficial holders (or those Greene King Shares over which they have control), totalling 155,026 Greene King Shares, representing in aggregate approximately 0.050 per cent. of Greene King's issued share capital as at the close of business on the Latest Practicable Date.

<u>Name⁽¹⁾</u>	<u>Number of Greene King Shares⁽²⁾</u>	<u>Percentage of existing issued share capital⁽³⁾</u>
Philip Yea	40,000	0.013
Nick Mackenzie	93,515	0.030
Richard Smothers	9,770	0.003
Rob Rowley	3,000	0.001
Mike Coupe	3,690	0.001
Lynne Weedall	3,051	0.001
Gordon Fryett	2,000	0.001
Total	155,026	0.050

Note:

- (1) Sandra Turner does not hold any interests in Greene King Shares and therefore has not entered into an irrevocable undertaking.
- (2) The undertakings and numbers referred to in this table refer only to those Greene King Shares to which the relevant Greene King Director is beneficially entitled and any Greene

King Shares that such Greene King Director is otherwise able to control the exercise of in terms of the rights attaching to such share, including the ability to procure the transfer of such share.

- (3) Percentage calculated based on Greene King’s issued ordinary share capital on the Latest Practicable Date.

The irrevocable undertakings referred to in this paragraph 6.1 remain binding if a higher competing offer is made, but will cease to be binding on the earlier of the following occurrences: (i) the Scheme lapses or is withdrawn in accordance with its terms and CK Bidco publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Takeover Offer or otherwise; (ii) the Scheme has not become effective by 11.59 p.m. on the Long Stop Date; or (iii) there is a CKA Board Recommendation Change.

6.2 CKA Directors

The following CKA Directors have given irrevocable undertakings to vote in favour of the resolutions relating to the Acquisition at the CKA General Meeting in respect of their own personal interests in CKA Shares (or those CKA Shares over which they have control):

<u>Name</u>	<u>Total number of CKA Shares</u>	<u>Percentage of existing issued share capital</u>
Li Tzar Kuoi, Victor	220,000	0.006
Kam Hing Lam	51,040	0.001
Chow Nin Mow, Albert	66	0.000
Hung Siu-lin, Katherine	43,256	0.001
Donald Jeffrey Roberts	167,396	0.005
Total	481,758	0.013

The irrevocable undertakings referred to in this paragraph 6.2 cease to be binding on the earlier of the following occurrences: (i) if agreed in writing between CKA, CK Bidco and Greene King; (ii) the Scheme has not become effective by 11.59 p.m. on the Long Stop Date; (iii) the Scheme lapses or is withdrawn in accordance with its terms and CK Bidco publicly confirms that it does not intend to proceed with the Acquisition by way a Takeover Offer; or (iv) there is a Greene King Adverse Recommendation Change.

6.3 CKA Shareholders

In addition, CKA has agreed to procure that the relevant trustees of the Li family trusts provide to Greene King an irrevocable undertaking to vote in favour of, or procure that the registered holders vote in favour of, the resolutions relating to the Acquisition at the CKA General Meeting in respect of the 1,160,195,710 CKA Shares which they hold directly or indirectly, representing approximately 31.41 per cent. of the existing issued share capital of CKA as at the Latest Practicable Date.

7 Interests and dealings

7.1 Definitions

For the purposes of this paragraph 7 of this Part VI:

“**acting in concert**” with CK Bidco or Greene King, as the case may be, means any such person acting or deemed to be acting in concert with CK Bidco or Greene King, as the case may be, for the purposes of the Takeover Code;

“**arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;

“**CK Bidco relevant securities**” means relevant securities of CK Bidco (such term having the meaning given to it in the Takeover Code in relation to the offeror);

“**dealing**” or “**dealt**” includes:

- (i) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;

- (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option (including a traded option contract) in respect of any relevant securities;
- (iii) subscribing or agreeing to subscribe for relevant securities;
- (iv) exercising or converting, whether in respect of new or existing securities, any relevant securities carrying conversion or subscription rights;
- (v) acquiring, disposing of, entering into, closing out, exercising (by either party) any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
- (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities;
- (vii) the redemption or purchase of, or taking or exercising an option over, any relevant securities in CK Bidco or Greene King; and
- (viii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

“**derivative**” means any financial product whose value, in whole or in part, is determined, directly or indirectly, by reference to the price of an underlying security;

“**Disclosure Period**” means the period commencing on 19 August 2018 (being the date 12 months prior to the commencement of the Offer Period) and ending on the Latest Practicable Date;

“**financial collateral arrangements**” are arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code;

“**Greene King relevant securities**” means relevant securities of Greene King (such term having the meaning given to it in the Takeover Code in relation to the offeree), including Greene King Shares and securities of Greene King carrying conversion or subscription rights into Greene King Shares;

references to a person having an “**interest**” in Greene King relevant securities or CK Bidco relevant securities (as applicable) has the meaning given in the Takeover Code; and

“**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

7.2 Interests and dealings in Greene King relevant securities

Greene King

7.2.1 *Interests held by Greene King Directors*

- (a) As at the close of business on the Latest Practicable Date, the following Greene King Directors (including members of their close relatives and related trusts) had an interest in, a right to subscribe in or a short position in certain Greene King relevant securities. The nature of the interests or rights concerned and number of Greene King relevant securities to which these apply are listed below (other than options disclosed in paragraph (c) below):

<u>Name of Director</u>	<u>Nature of interest or rights concerned</u>	<u>Number of Greene King relevant securities</u>
Philip Yea ⁽¹⁾	Greene King Shares	40,000
Nick Mackenzie ⁽²⁾	Greene King Shares	93,515
Richard Smothers ⁽³⁾	Greene King Shares	9,770
Rob Rowley ⁽⁴⁾	Greene King Shares	3,000
Mike Coupe ⁽⁵⁾	Greene King Shares	3,690
Lynne Weedall ⁽⁶⁾	Greene King Shares	3,051
Gordon Fryett	Greene King Shares	2,000

Notes:

- (1) All of this holding is beneficially owned by Philip Yea SIPP and registered in the name of Alliance Trust Savings Nominees Limited.

- (2) All of this holding is beneficially owned by Nick Mackenzie and registered in the name of Transact Nominees Limited.
- (3) All of this holding is beneficially owned by Richard Smothers and the legal interest is held in an omnibus holding account. The name of the custodian is Morgan Stanley.
- (4) All of this holding is beneficially owned by Rob Rowley and registered in the name of Luna Nominees Limited.
- (5) All of this holding is beneficially owned by Mike Coupe and Jill Coupe and registered in the name of UBS Private Banking Nominees Limited.
- (6) All of this holding is beneficially owned by Lynne Weedall and registered in the name of Share Nominee Limited.
- (b) As described in paragraph 6.1 of this Part VI, each of those Greene King Directors listed in paragraph (a) above has given an irrevocable undertaking to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the Greene King General Meeting in respect of all of the Greene King Shares of which they are the beneficial holders (or over which they have control).
- (c) As at the close of business on the Latest Practicable Date, the Greene King Directors (including members of their close relatives and related trusts) held the following outstanding options and awards over Greene King Shares under the Greene King Share Plans:

UK tax qualifying share options

The Greene King Sharesave Scheme 2015

<u>Name of Director</u>	<u>Number of options</u>	<u>Date of grant</u>	<u>Exercise period</u>	<u>Exercise price</u>
Richard Smothers	4,128	30/01/2019	02/04/2022 to 30/09/2022	436 pence

UK non-tax qualifying options

The Greene King Performance Share Plan 2013

<u>Name of Director</u>	<u>Number of options</u>	<u>Date of grant</u>	<u>Exercise period</u>	<u>Exercise price</u>
Richard Smothers	45,995	04/01/2018	05/01/2023 to 03/01/2028	Nil
	117,316	19/07/2018	20/07/2023 to 18/07/2028	Nil
	75,874	30/08/2019	31/08/2024 to 29/08/2029	Nil
Nick Mackenzie	107,117	30/08/2019	31/08/2024 to 29/08/2029	Nil

CK Bidco

7.2.2 *Interests in relevant securities of Greene King held by those persons acting in concert with CK Bidco and CKA*

As at the close of business on the Latest Practicable Date, a wholly-owned indirect subsidiary of CKA had an interest in, a right to subscribe in or a short position in certain Greene King relevant securities. The nature of the interests or rights concerned and number of Greene King relevant securities to which this applies is listed below:

<u>Number of Greene King Shares</u>	<u>Percentage of Greene King's existing issued share capital</u>
8,990,182	2.9

7.2.3 *Dealings in relevant securities of Greene King by those persons acting in concert with CK Bidco and CKA*

As at the close of business on the Latest Practicable Date, the wholly-owned indirect subsidiary of CKA referred to in paragraph 7.2.2 above has dealt in Greene King relevant securities during the Disclosure Period. The details of each dealing in Greene King relevant securities are listed below:

<u>Date</u>	<u>Nature of transaction</u>	<u>Number of Greene King Shares</u>	<u>Price (GBP)</u>
25 June 2019	Purchase	1,200,000	5.8357
26 June 2019	Purchase	281,194	5.8000
27 June 2019	Purchase	550,000	6.0817
28 June 2019	Purchase	775,000	6.1740
1 July 2019	Purchase	575,000	6.2349
2 July 2019	Purchase	650,000	6.1683
3 July 2019	Purchase	1,460,000	6.2381
4 July 2019	Purchase	775,000	6.2795
5 July 2019	Purchase	575,000	6.2145
8 July 2019	Purchase	386,878	6.1900
9 July 2019	Purchase	1,762,110	6.1983

7.3 **General**

Save as disclosed in this document (including in this paragraph 7 of Part VI), as at the Latest Practicable Date:

7.3.1 none of:

- (a) Greene King;
- (b) the Greene King Directors or their respective close relatives or related trusts or companies;
- (c) any other person acting in concert with Greene King; or
- (d) any other person with whom Greene King or any person acting in concert with Greene King had an arrangement,

had an interest in, a right to subscribe in respect of, or any short position in relation to Greene King relevant securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligations or right to require another person to purchase or take delivery, nor had any of the persons referred to above dealt in any Greene King relevant securities between the commencement of the Offer Period and close of business on the Latest Practicable Date;

7.3.2 none of:

- (a) CK Bidco or CKA;
- (b) the CK Bidco Directors, the CKA Directors or their respective close relatives or related trusts or companies;
- (c) any other person acting in concert with CK Bidco or CKA; or
- (d) any other person with whom CK Bidco, CKA or any person acting in concert with CK Bidco or CKA had an arrangement,

had an interest in, a right to subscribe in respect of, or any short position in relation to Greene King relevant securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligations or right to require another person to purchase or take delivery, nor had any of the persons referred to above dealt in any Greene King relevant securities during the Disclosure Period;

- 7.3.3 none of:
- (a) Greene King; or
 - (b) the Greene King Directors or their respective close relatives or related trusts or companies,
- had an interest in, a right to subscribe in respect of, or any short position in relation to CK Bidco relevant securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligations or right to require another person to purchase or take delivery, nor had any of the persons referred to above dealt in any CK Bidco relevant securities between the commencement of the Offer Period and close of business on the Latest Practicable Date;
- 7.3.4 save for the irrevocable undertakings described in paragraph 6.1 of this Part VI, neither Greene King nor any person acting in concert with Greene King has any arrangement with any other person;
- 7.3.5 save for the irrevocable undertakings described in paragraphs 6.2 and 6.3 of this Part VI, neither CK Bidco nor any person acting in concert with CK Bidco has any arrangement with any other person;
- 7.3.6 none of Greene King or any person acting in concert with Greene King has borrowed or lent any Greene King relevant securities (including for these purposes any financial collateral arrangements) since the start of the Offer Period, save for any borrowed shares which have been either on-lent or sold; and
- 7.3.7 none of CK Bidco or any person acting in concert with CK Bidco has borrowed or lent any Greene King relevant securities (including for these purposes any financial collateral arrangements) during the Disclosure Period, save for any borrowed shares which have been either on-lent or sold.

8 Significant change in financial or trading position of Greene King

Save as described in this document, there has been no significant change in the financial or trading position of the Greene King Group since 28 April 2019, being the date to which Greene King's last audited consolidated financial statements were prepared.

9 Service contracts and letters of appointment of the Greene King Directors

Greene King Executive Directors

9.1 The Greene King Executive Directors have entered into service contracts with Greene King Services Limited as summarised below:

(a) *General terms*

<u>Name</u>	<u>Continuous employment start date</u>	<u>Service contract date</u>	<u>Current salary per annum (£)</u>	<u>Notice by Greene King Services Limited (months)</u>	<u>Notice by Executive Director (months)</u>
Nick Mackenzie	1 May 2019	17 November 2018	600,000	12	12
Richard Smothers	4 December 2017	10 May 2017	425,000	12	12

At the discretion of the Greene King Remuneration Committee, Nick Mackenzie and Richard Smothers are entitled to participate in such bonus scheme or schemes as Greene King Services Limited may operate from time to time. Their maximum bonus opportunity is 150 per cent. of their base salaries. The Greene King Executive Directors are also eligible for a grant of up to 150 per cent. of their base salaries under the long term incentive plan.

The Greene King Executive Directors are entitled to participate in a flexible benefits scheme which allows them to select benefits which may include, without limitation, private medical insurance, life insurance, increased or decreased holiday. Nick Mackenzie's flexible benefits fund is £6,004 and Richard Smothers' is £5,955. Nick Mackenzie receives an annual pension allowance of 15 per cent of base salary or a cash pension allowance of 15 per cent of base salary and Richard Smothers receives an annual cash pension allowance of 20 per cent of base salary. In addition, they each receive a car allowance of £10,777 per year.

In addition to public holidays in England, the Greene King Executive Directors are entitled to 25 working days' paid holiday in each holiday year.

(b) *Termination provisions*

Greene King Services Limited may terminate the executive directors' service contracts by giving 12 months' notice. Alternatively, Greene King Services Limited may elect to terminate the service contracts with immediate effect by making payments in lieu of notice which will not exceed 12 months' basic salary. The Greene King Executive Directors' service contracts can be terminated immediately by Greene King Services Limited for cause, as defined in their service contracts.

Greene King Non-Executive Directors

9.2 The Greene King Non-Executive Directors have entered into letters of appointment with Greene King as summarised below:

<u>Name</u>	<u>Title</u>	<u>Date of commencement of appointment</u>	<u>Initial term (years)</u>	<u>Total fees per year (£)</u>
Philip Yea	Non-Executive Chairman	2 February 2016	3	250,000
Rob Rowley	Senior Independent Non-Executive Director	18 July 2014	3	60,000
Mike Coupe	Non-Executive Director	26 July 2011	3	50,000
Lynne Weedall	Non-Executive Director	11 October 2012	3	60,000
Gordon Fryett	Non-Executive Director	1 December 2016	3	50,000
Sandra Turner	Non-Executive Director	1 May 2019	3	50,000

The Greene King Non-Executive Directors are entitled to be reimbursed for reasonable expenses incurred arising from performance of their duties as non-executive directors. They are also covered by the Greene King Directors' liability insurance policy. They are not entitled to any other benefits.

The fees paid to the Chairman are reviewed regularly by the Greene King Remuneration Committee and the fees paid to the other Greene King Non-Executive Directors are reviewed regularly by the Greene King Board. No specific timings for such reviews are stipulated except for the Chairman, whose fees are reviewed every two years.

The Greene King Non-Executive Directors' appointment is subject to the Greene King Articles. The Greene King Non-Executive Directors' appointment is required to be re-confirmed annually at Greene King's annual general meeting. If the Greene King Shareholders do not vote in favour of any of the Greene King Non-Executive Directors' re-election, their appointment will terminate automatically, with immediate effect and without compensation.

The Greene King Non-Executive Directors' appointment may be terminated by Greene King by giving three months' written notice. Greene King is also entitled to terminate the appointment of the Greene King Non-Executive Directors with immediate effect for cause, as defined in their appointment letters. The appointment letters for the Greene King Non-Executive Directors do not allow for payments to be made in lieu of notice.

9.3 Save as disclosed in this paragraph 9 of this Part VI:

9.3.1 there are no existing or proposed service contracts between any Greene King Director or proposed director of Greene King and any member of the Greene King Group, and no such contract has been entered into or amended within the six months preceding the date of this document;

9.3.2 no Greene King Director is entitled to commission or profit sharing arrangements; and

9.3.3 other than statutory compensation and payment in lieu of notice, no compensation is payable by Greene King to any Greene King Director upon early termination of their appointment.

10 Acquisition related arrangements

10.1 Confidentiality Agreement

On 17 July 2019, CKA and Greene King entered into a confidentiality agreement (the "Confidentiality Agreement") in relation to the Acquisition, pursuant to which, amongst other

things, CKA has undertaken to keep confidential information relating to Greene King and to the Acquisition and not to disclose it to third parties (with certain exceptions). These confidentiality obligations will remain in force until the second anniversary of the date of the Confidentiality Agreement. The Confidentiality Agreement contains standstill provisions which restricted CKA from acquiring or seeking to acquire interests in certain securities of Greene King; with those restrictions ceasing to apply upon the release of the Rule 2.7 Announcement. The Confidentiality Agreement contains provisions pursuant to which CKA has agreed not to solicit certain employees of the Greene King Group, subject to customary carve-outs, for a period of 12 months from the date of the Confidentiality Agreement.

10.2 Co-operation Agreement

On 19 August 2019, CKA, CK Bidco and Greene King entered into a co-operation agreement (the “**Co-operation Agreement**”), pursuant to which, among other things (i) CKA and CK Bidco have agreed to use all reasonable efforts to satisfy the antitrust condition in paragraph 3(b) of Part III of this document and Greene King has agreed to co-operate for the purposes of ensuring the satisfaction of such Condition; (ii) each of CKA and CK Bidco have agreed to provide Greene King with certain information for the purposes of this document and to otherwise assist with the preparation of this document; (iii) Greene King has agreed to provide CKA with certain information for the purposes of the CKA Circular and to otherwise assist with the preparation of the CKA Circular; and (iv) CKA, CK Bidco and Greene King have agreed provisions that will apply in respect of the Greene King Share Plans and certain other employee incentive arrangements.

The Co-operation Agreement will terminate in certain circumstances, including (subject to certain exceptions): (i) at CKA and CK Bidco’s election if (a) the Greene King Directors make a Greene King Adverse Recommendation Change, (b) a third party announces a firm intention to make an offer for Greene King which is recommended by the Greene King Directors, (c) Greene King announces that it will not convene the Greene King General Meeting or Court Meeting or, (d) the date set out in this document for the Greene King General Meeting and Court Meeting is more than 28 days after the date of this document, unless such later date is to ensure such meetings are held later than, but on the same date as, the CKA General Meeting; (ii) at Greene King’s election if there is a CKA Board Recommendation Change; (iii) if a competing proposal becomes effective or is declared or becomes unconditional in all respects; (iv) if the Acquisition lapses, terminates or is withdrawn on or prior to the Long Stop Date, including where a Condition has not been satisfied and has been successfully invoked by CK Bidco; (v) at the election of CKA, CK Bidco or Greene King following the occurrence of a break fee event (as described below); and (vi) as otherwise agreed between CKA, CK Bidco and Greene King.

CKA has undertaken to pay a break fee to Greene King of £53.1 million if:

- both of the following events occur:
 - CKA fails to procure that, not later than five Business Days after the CKA Circular has been despatched to CKA Shareholders, the relevant trustees of the Li family trusts provide to Greene King an irrevocable undertaking to vote in favour of the resolution(s) relating to the Acquisition at the CKA General Meeting, or the relevant trustees of the Li family trusts fail to vote their CKA Shares in favour of such resolution(s) at the CKA General Meeting in accordance with such irrevocable undertaking; and
 - with a vote having been held on the resolution(s) relating to the Acquisition at a CKA General Meeting, the resolution(s) are not passed by the CKA Shareholders; or
- CKA fails to include the CKA Board Recommendation in the CKA Circular or there is a CKA Board Recommendation Change prior to the CKA General Meeting and either: (i) the CKA General Meeting is not held in sufficient time to enable completion of the Acquisition to occur by the Long Stop Date; or (ii) with a vote having been held on the resolution(s) relating to the Acquisition at a CKA General Meeting, the resolution(s) are not passed by the CKA Shareholders; or
- any of the CKA Directors or CK Bidco Directors, Mr Li Ka-shing or any of the members of the executive committee of CKA make a public statement at or prior to the CKA General Meeting which is reasonably likely to have an adverse effect on the passing of the

resolution(s) relating to the Acquisition at the CKA General Meeting and with a vote having been held on the resolution(s) relating to the Acquisition at a CKA General Meeting, the resolution(s) are not passed by the CKA Shareholders.

However, no break fee will be payable if: (i) at the time of the relevant break fee event the Co-operation Agreement has already been terminated, (ii) the relevant break fee event has been caused by Greene King's material breach of its obligations under certain provisions of the Co-operation Agreement; or (iii) prior to the time of the relevant break fee event, there has been a Greene King Adverse Recommendation Change.

11 Material contracts – Greene King

Save as disclosed below, no contracts (otherwise than in the ordinary course of business) have been entered into by Greene King and members of the Greene King Group since 19 August 2017 (being the date two years prior to the commencement of the Offer Period) and which are, or may be, material to the Greene King Group as at the date of this document.

11.1 £250 million 3.593 per cent. fixed rate notes due 2035

On 22 February 2019, Note Issuer First SPV issued £250,000,000 Class A7 secured 3.593 per cent. fixed rate notes due 2035 (the “**Class A7 Notes**”). The Class A7 Notes are guaranteed by GKRL, a member of the Greene King Group. The proceeds of the issuance of the Class A7 Notes were on-lent by the Note Issuer First SPV as lender to GKRL in its capacity as borrower under a secured facility agreement dated 7 March 2005 (as further amended and restated from time to time) between, amongst others, the Note Issuer First SPV and GKRL (the “**Facility Agreement**”). This is the latest class of notes issued by the Note Issuer First SPV and guaranteed by GKRL. Since 2005, the Note Issuer First SPV has issued the Class A1, Class A2, Class A3, Class A4, Class A5, Class A6, Class AB2, Class B1 and Class B2 notes in addition to the Class A7 Notes (together, the “**Notes**”). The proceeds of the Notes have been used to fund advances to GKRL under the Facility Agreement. The payment obligations of the Note Issuer First SPV under the Notes are supported by the operating cash flows generated by GKRL through the estate of pubs beneficially owned by it.

The Class A7 Notes are currently listed on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin and are admitted to trading on the Euronext Dublin's regulated market.

The Class A7 Notes accrue interest at a fixed rate of 3.593 per cent. per annum with interest being payable quarterly in arrears.

Unless previously redeemed or purchased and cancelled in full in accordance with their terms and conditions, the Class A7 Notes shall be redeemed by the Note Issuer First SPV at their principal amount outstanding on the final maturity date in March 2035. Prior to the full redemption, the Class A7 Notes are subject to scheduled redemption on the interest payment dates in the amounts set out in the terms and conditions of the Class A7 Notes.

The Class A7 Notes contain representations and covenants that are customary for debt securities issued under similar securitisation structures of this nature.

The obligations of the Note Issuer First SPV under the Class A7 Notes are secured by a security package including, amongst other things, fixed security and floating security over all or substantially all of the Note Issuer First SPV's property, undertaking and assets.

The Class A7 Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

11.2 Co-operation Agreement

On 19 August 2019, Greene King entered into the Co-operation Agreement with CKA and CK Bidco, further details of which are described in paragraph 10.2 of this Part VI.

12 Material contracts – CKA Group

Save as disclosed below, no contracts (otherwise than in the ordinary course of business) have been entered into by CK Bidco and members of the CKA Group since 19 August 2017 (being the date two

years prior to the commencement of the Offer Period) and which are, or may be, material to the CKA Group as at the date of this document:

Co-operation Agreement

On 19 August 2019, CKA and CK Bidco entered into the Co-operation Agreement with Greene King, further details of which are described in paragraph 10.2 of this Part VI.

13 Sources and bases of information

Unless otherwise stated in this document:

- 13.1 the value attributed to the fully diluted issued share capital of Greene King is based on a value of 850 pence per Greene King Share; and:
 - 13.1.1 310,015,430 Greene King Shares in issue at the close of business on the Latest Practicable Date; plus
 - 13.1.2 2,522,003 Greene King Shares which may be issued on or after the Latest Practicable Date to satisfy the exercise of options and vesting of awards outstanding under the Greene King Share Plans as at the Latest Practicable Date; less
 - 13.1.3 6,073 Greene King Shares as at the Latest Practicable Date held by the Greene King Employee Benefit Trust which can be used to satisfy the exercise of options and vesting of awards granted under the Greene King Share Plans unless otherwise stated;
- 13.2 the enterprise value of approximately £4.6 billion is calculated by reference to a Greene King equity value of £2,657 million at a value of 850 pence per Greene King Share plus net debt of £1,943 million as at 28 April 2019;
- 13.3 the enterprise value to EBITDA multiple of approximately 9.5x is based on Greene King's enterprise value of approximately £4.6 billion and EBITDA of £482 million for the 52 week period to 28 April 2019;
- 13.4 the enterprise value to EBITDA multiple of approximately 10.0x is based on Greene King's enterprise value of approximately £4.6 billion and the inclusion of the £230 million swap liability as at 28 April 2019 and EBITDA of £482 million for the 52 week period to 28 April 2019;
- 13.5 unless otherwise stated, the financial information relating to Greene King is extracted (without material adjustment) from the 2018 Greene King Annual Report or the 2019 Greene King Annual Report;
- 13.6 unless otherwise stated, all prices for Greene King Shares have been derived from the Daily Official List and represent Closing Prices on the relevant date(s);
- 13.7 the volume weighted average prices have been derived from data provided by Factset, with prices up to the ex-dividend date of 8 August 2019 adjusted for the Final Dividend;
- 13.8 the pro forma total assets of the CKA Group post completion of the Acquisition have been calculated as follows:
 - 13.8.1 total assets of the CKA Group of HK\$476,572 million as disclosed in CKA's interim report as of 30 June 2019, equivalent to £48,042 million based on an exchange rate of GBP1:HK\$9.92 as of 30 June 2019;
 - 13.8.2 plus total assets of Greene King of £5,183 million as disclosed in the 2019 Greene King Annual Report; and
 - 13.8.3 adjusted for IFRS 16 and other adjustments representing a total value of £(1,748) million based on an exchange rate of GBP1:HK\$9.92 as of 30 June 2019; and
- 13.9 the pro forma total liabilities of the CKA Group post completion of the Acquisition have been calculated as follows:
 - 13.9.1 total liabilities of the CKA Group of HK\$126,379 million as disclosed in CKA's interim report as of 30 June 2019, equivalent to £12,740 million based on an exchange rate of GBP1:HK\$9.92 as of 30 June 2019;
 - 13.9.2 plus total liabilities of Greene King of £3,076 million as disclosed in the 2019 Greene King Annual Report; and
 - 13.9.3 adjusted for IFRS 16 and other adjustments representing a total value of £409 million based on an exchange rate of GBP1:HK\$9.92 as of 30 June 2019.

14 Fees and expenses

14.1 Greene King

The aggregate fees and expenses expected to be incurred by Greene King in connection with the Acquisition (excluding any applicable VAT) are estimated to be approximately:

<u>Category</u>	<u>Amount</u> (£m)
Financial and corporate broking advice	18.5
Legal advice	3.0
Accounting advice	0.2
Public relations advice	0.5
Other professional services	0.6
Other costs and expenses	<u>0.1</u>
Total	<u><u>22.9</u></u>

14.2 CK Bidco and CKA

The aggregate fees and expenses expected to be incurred by CK Bidco and CKA in connection with the Acquisition (excluding any applicable VAT) are estimated to be approximately:

<u>Category</u>	<u>Amount</u> (£m)
Financial and corporate broking advice	10.0 ⁽¹⁾
Legal advice	2.6 ⁽²⁾
Accounting advice	1.2
Public relations advice	0.3
Other professional services	1.3
Other costs and expenses	<u>13.5⁽³⁾</u>
Total	<u>29.0⁽⁴⁾</u>

Notes:

- (1) Including £2 million discretionary element
- (2) Including £460,000 discretionary element
- (3) Including stamp duty payable on Greene King Shares
- (4) Including £2.46 million discretionary element

15 General

- 15.1 Each of Citigroup, Rothschild & Co and Peel Hunt has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which it appears.
- 15.2 Each of Christie & Co and Colliers International has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which it appears.
- 15.3 HSBC has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which it appears.
- 15.4 Save as disclosed herein, there is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Greene King Shares to be acquired by CK Bidco pursuant to the Acquisition will be transferred to any person other than CK Bidco, save that CK Bidco reserves the right to transfer any such Greene King Shares to any other member of the CKA Group.
- 15.5 Save as disclosed in this document, no agreement, arrangement or understanding (including compensation arrangement) exists between CK Bidco or any person acting in concert with CK Bidco for the purposes of the Acquisition and any of the directors, recent directors, shareholders or recent shareholders of Greene King, or any person interested or recently interested in Greene King Shares, having any connection with or dependence upon, or which is conditional on the outcome of, the Acquisition.
- 15.6 The emoluments of the CK Bidco Directors and the CKA Directors will not be affected by the Acquisition or by any other associated transaction.

15.7 Except with the consent of the Panel, settlement of the consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which CK Bidco may otherwise be, or claim to be, entitled against any such Scheme Shareholder.

16 Property valuations: no material difference

For the purposes of Rule 29.5 of the Takeover Code, the Greene King Directors confirm that:

16.1 Christie & Co has confirmed that the value of Greene King's property portfolio as at the date of this document would not be materially different from the valuation given by Christie & Co as at 26 September 2018 and contained in the Christie & Co Property Valuation Report; and

16.2 Colliers International has confirmed that the value of Greene King's property portfolio as at the date of this document would not be materially different from the valuation given by Colliers International as at 30 April 2019 and contained in the Colliers International Property Valuation Report.

Copies of the letters from each of Christie & Co and Colliers International confirming that there has been no material change to the previous valuations are set out in Appendix I and Appendix II respectively.

17 Property valuations: potential tax liability

For the purposes of Rule 29.6 of the Takeover Code, it is not possible to give an accurate estimate of the amount of any potential tax liability which would arise if the assets were to be sold at the amount of the valuation for a number of reasons including:

17.1 The licensed estate is split between those houses which are legacy Greene King houses or were acquired pre-2015 and those houses which were inherited as part of the acquisition of Spirit. The base cost policies applied to Spirit houses are different to Greene King's historic policy, however a number of these sites now sit within Greene King legal entities as part of normal transfers between different parts of the business and relating to changes across debt securitisation structures. The preparation of an estimate would require the splitting out of these legacy Spirit houses to ensure that they are correctly adjusted.

17.2 Greene King has made numerous acquisitions over the years and some acquisitions do not have HMRC-agreed valuations. Therefore, the quality of the data would need to be considered (and potentially raised with HMRC) to obtain comfort as to whether it could be relied upon.

17.3 In certain instances the historic data is no longer available, for example for houses that have been in Greene King's ownership for over a hundred years.

17.4 Once the basis of the approach to estimating the liability has been agreed, the disposals and utilisations of tax losses in the tax computations for the previous six years would need to be recalculated. This would result in the capital losses position of the group being recalculated, impacting the amount of available losses to offset in the hypothetical disposal calculation.

17.5 The relatively low scale ongoing disposal programme has calculations done on an individual basis upon disposal, this is not practical for 2,730 individual sites.

Any sale of the assets could trigger a taxable gain however this may be offset by existing capital losses. The Panel has consented to the Greene King Directors not including an estimate of the potential tax liability for the purposes of Rule 29.6 of the Takeover Code.

18 Documents available for inspection

Copies of the following documents will be available for viewing on Greene King's website at <https://www.greeneking.co.uk/investor-centre/recommended-cash-offer/> and CKA's website at <https://webfilter.ckah.com/WF06/> up to and including Completion:

- (i) this document (including any documents incorporated by reference herein) and the Forms of Proxy;
- (ii) the existing Greene King Articles;
- (iii) the draft articles of association of Greene King as proposed to be amended by the Special Resolution set out in the Notice of Greene King General Meeting in Part X of this document;
- (iv) the articles of association of CK Bidco;

- (v) a copy of the written consent letters from each of Citigroup, Rothschild & Co and Peel Hunt referred to in paragraph 15.1 of this Part VI;
- (vi) a copy of the written consent letters from each of Christie & Co and Colliers International referred to in paragraph 15.2 of this Part VI;
- (vii) a copy of the written consent letters from HSBC referred to in paragraph 15.3 of this Part VI;
- (viii) copies of the Irrevocable Undertakings;
- (ix) a copy of the Rule 2.7 Announcement;
- (x) a copy of the 2019 Greene King Annual Report;
- (xi) a copy of the 2018 Greene King Annual Report;
- (xii) a copy of the interim accounts of CKA for the six months ended 30 June 2019;
- (xiii) a copy of the audited consolidated accounts of CKA for the financial year ended 31 December 2018;
- (xiv) a copy of the audited consolidated accounts of CKA for the financial year ended 31 December 2017;
- (xv) the Confidentiality Agreement; and
- (xvi) the Co-operation Agreement.

Dated: 16 September 2019

**PART VII
THE SCHEME OF ARRANGEMENT**

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
COMPANIES COURT (ChD)**

CR-2019-005629

IN THE MATTER OF GREENE KING PLC

- and -

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)

BETWEEN

GREENE KING PLC

AND

ITS
SCHEME SHAREHOLDERS
(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions have the following meanings:

“Act”	the Companies Act 2006 (as amended)
“Business Day”	a day on which London Stock Exchange plc is open for the transaction of business
“certificated” or “in certificated form”	not in uncertificated form (that is, not in CREST)
“CK Bidco”	CK Noble (UK) Limited, a private limited liability company, incorporated in England and Wales with registered number 12149330
“CKA”	CK Asset Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose registered office is at PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands
“CKA Group”	CKA and its subsidiary undertakings
“Company”	Greene King plc, incorporated in England and Wales with registered number 00024511
“Court”	the High Court of Justice in England and Wales
“Court Meeting”	the meeting of the Scheme Shareholders convened pursuant to an order of the Court under section 896 of the Act to consider and, if thought fit, approve this Scheme, including any adjournment thereof
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities

	operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“Euroclear”	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738
“Excluded Shares”	any Ordinary Shares which are registered in the name of or beneficially owned by CK Bidco or any other member of the CKA Group or held by the Company in treasury at any relevant date or time
“holder”	a registered holder and includes a person entitled by transmission
“members”	members of the Company on the register of members at any relevant date or time
“Ordinary Shares”	ordinary shares of 12.5 pence each in the capital of the Company
“Registrar of Companies”	the Registrar of Companies in England and Wales
“Scheme”	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and CK Bidco
“Scheme Effective Time”	the time and date at which this Scheme becomes effective in accordance with Clause 6
“Scheme Record Time”	6.30 p.m. on the Business Day immediately after the date on which the Court makes its order sanctioning this Scheme
“Scheme Shareholder”	a holder of Scheme Shares at any relevant date or time
“Scheme Shares”	(i) the Ordinary Shares in issue at the date of this Scheme; (ii) the Ordinary Shares (if any) issued after the date of this Scheme and before the Voting Record Time; and (iii) the Ordinary Shares (if any) issued at or after the Voting Record Time and before the Scheme Record Time on terms that the holder thereof shall be bound by this Scheme, or in respect of which the original or any subsequent holders thereof shall have agreed in writing to be bound by this Scheme, and in each case (where the context requires) remaining in issue at the Scheme Record Time, but excluding any Excluded Shares
“Share Plans”	the employee share option and award schemes of the Company in place at the Scheme Record Time
“subsidiary” and “subsidiary undertaking”	have the meanings given in the Act
“UK”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
“Voting Record Time”	6.30 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is

adjourned, 6.30 p.m. on the day which is two days before the date of such adjourned meeting, in each case excluding any part of a day that is not a working day

References to Clauses are to clauses of this Scheme, and references to time are to London time.

- (B) The issued share capital of the Company as at the close of business on 13 September 2019 (being the latest practicable date prior to the date of this Scheme) was £38,751,929 divided into 310,015,430 Ordinary Shares of 12.5 pence each, all of which were credited as fully paid and none of which were held in treasury.
- (C) As at the close of business on 13 September 2019 (being the latest practicable date prior to the date of this Scheme) 8,990,182 Ordinary Shares were registered in the name of or beneficially owned by CKA or other members of the CKA Group.
- (D) CK Bidco has agreed to appear by counsel at the hearing to sanction this Scheme and to submit to be bound by and to undertake to the Court to be bound by this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

THE SCHEME

1 Transfer of the Scheme Shares

- 1.1 At the Scheme Effective Time, CK Bidco (and/or its nominee(s)) shall acquire all of the Scheme Shares fully paid, with full title guarantee, free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights or other interests, and together with all rights attached thereto including voting rights and the right to receive all dividends and other distributions declared, paid or made by the Company by reference to a record date on or after the Scheme Effective Time.
- 1.2 For the purposes of such acquisition, the Scheme Shares shall be transferred to CK Bidco and/or its nominee(s) and such transfer shall be effected by means of a form or forms of transfer or other instrument or instruction of transfer, or by means of CREST, and any person may be appointed by the Company or CK Bidco as attorney or agent and shall be authorised as such attorney or agent on behalf of the holder concerned to execute and deliver as transferor such form of transfer or other instrument or instruction of transfer, or procure the transfer by means of CREST, of such Scheme Shares and every form, instrument or instruction of transfer so executed shall be as effective as if it had been executed by the holder or holders of the Scheme Shares thereby transferred. Any such form, instrument or instruction of transfer shall be deemed to be the principal instrument of transfer.

2 Consideration for the transfer of the Scheme Shares

- 2.1 In consideration for the transfer of the Scheme Shares, CK Bidco shall (subject to Clause 2.2) pay or procure that there will be paid to or for the account or benefit of each Scheme Shareholder (as appearing in the register of members of the Company at the Scheme Record Time):

For each Scheme Share	850 pence in cash
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- 2.2 If any dividend and/or other distribution and/or return of capital is declared, made or paid or becomes payable in respect of an Ordinary Share during the period from the date of this Scheme until the Scheme Effective Time, CK Bidco shall be entitled to reduce the amount of consideration for each Scheme Share by an amount per Scheme Share up to the amount of such dividend and/or other distribution and/or return of capital. In such circumstances, Scheme Shareholders shall be entitled to retain any such dividend and/or other distribution and/or return of capital.

3 Settlement of consideration

- 3.1 As soon as practicable after the Scheme Effective Time, and in any event no later than 14 days after the Scheme Effective Time (unless the Panel consents otherwise), CK Bidco shall satisfy the consideration due to Scheme Shareholders pursuant to Clause 2 as follows:

- 3.1.1 subject to Clause 3.1.3, in the case of Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch to the persons entitled thereto of cheques for the sums payable to them respectively;
 - 3.1.2 subject to Clause 3.1.3, in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively, provided that CK Bidco reserves the right to make payment of the said sums by cheque as set out in Clause 3.1.1 if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this Clause 3.1.3 or to do so would incur material additional costs; and
 - 3.1.3 in the case of Scheme Shares issued or transferred pursuant to the Share Plans after the Court makes its order sanctioning this Scheme and prior to the Scheme Record Time, pay the amount due in respect of such Scheme Shares to the Company or any of its subsidiaries or subsidiary undertakings or otherwise at its or their discretion as soon as practicable and in any event within such 14 day period (unless the Panel consents otherwise) by such method as may be agreed with the Company, and the Company shall then procure that payments are made to the relevant Scheme Shareholders via payment to the relevant individual's bank account (into which the Greene King Group salary or wages are or were most recently paid, or in the case of participants in the Greene King plc Performance Share Plan 2013 who are no longer employed with the Greene King Group, into such account as they may specify) as soon as practicable, subject to the deduction of any applicable exercise price, income taxes and social security contributions.
- 3.2 As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares shall be removed from CREST in due course.
 - 3.3 All deliveries of cheques pursuant to this Scheme shall be effected by sending the same by first class post (or international standard post or airmail, if overseas) in prepaid envelopes addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of the Company or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in such register in respect of such joint holding at the Scheme Record Time, and none of the Company, CK Bidco or their respective agents shall be responsible for any loss or delay in the transmission or delivery of any cheques sent in accordance with this Clause 3.3 which shall be sent at the risk of the person(s) entitled thereto.
 - 3.4 All cheques shall be in sterling drawn on a UK clearing bank and shall be made payable to the persons respectively entitled to the monies represented thereby (except that, in the case of joint holders, CK Bidco reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company in respect of such joint holding at the Scheme Record Time), and the encashment of any such cheque or the creation of any such assured payment obligation in accordance with Clause 3.1.2 shall be a complete discharge of CK Bidco's obligations under this Scheme to pay the monies represented thereby.
 - 3.5 If any Scheme Shareholders have not encashed the cheques within six months of the Scheme Effective Time, CK Bidco and the Company shall procure that the cash consideration due to such Scheme Shareholders under this Scheme shall be held on trust for such Scheme Shareholders for a period of 12 years from the Scheme Effective Time, and such Scheme Shareholders may claim the consideration due to them (plus any interest accrued thereon, but net of any expenses or taxes) by written notice to the Company in a form which the Company determines evidences their entitlement to such consideration at any time during the period of 12 years from the Scheme Effective Time.
 - 3.6 The provisions of this Clause 3 shall be subject to any condition or prohibition imposed by law.

4 Share certificates and transfer of entitlements

With effect from, or as soon as practicable after, the Scheme Effective Time:

- 4.1 all certificates representing Scheme Shares shall immediately cease to have effect as documents of title to the Scheme Shares comprised therein and every Scheme Shareholder shall be bound at the request of the Company to deliver up their share certificate(s) to the Company (or any person appointed by the Company to receive the same) or to destroy the same;

- 4.2 Euroclear shall be instructed to cancel or transfer the entitlements of Scheme Shareholders to Scheme Shares in uncertificated form and (if necessary) that entitlements to such Scheme Shares are rematerialised; and
- 4.3 subject to delivery of such form of transfer or other instrument or instruction of transfer as may be required by Clause 1.2, and the payment of any stamp duty thereon, the Company shall procure that appropriate entries are made in the register of members of the Company to reflect the transfer of the Scheme Shares.

5 Authority pending registration of transfer

With effect from the Scheme Effective Time and until the register of members of the Company is updated to reflect the transfer of the Scheme Shares to CK Bidco (and/or its nominee(s)) pursuant to Clause 1.2:

- 5.1 CK Bidco (and/or its nominee(s)) or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of the Company or of any class of its shareholders) attaching to any Scheme Shares;
- 5.2 each Scheme Shareholder authorises the Company and/or its agents to send any notice, circular, warrant, document or other communication which may be required to be sent to such Scheme Shareholder as a member of the Company in respect of their Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form) to CK Bidco and/or its nominee(s) at its registered office;
- 5.3 each Scheme Shareholder irrevocably appoints CK Bidco and/or any one or more of its nominee(s), directors or agents to sign on behalf of such Scheme Shareholder such documents, and do such things, as may in the opinion of CK Bidco and/or any one or more of its nominee(s), directors or agents be necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the relevant Scheme Shares (including without limitation, an authority to sign any consent to short notice of a general or separate class meeting of the Company as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or execute a form of proxy in respect of such Scheme Shares appointing any person nominated by CK Bidco and/or any one or more of its nominee(s), directors or agents to attend general and separate class meetings of the Company (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf); and
- 5.4 each Scheme Shareholder irrevocably undertakes: (i) not to exercise any votes or any other rights attaching to the relevant Scheme Shares without the consent of CK Bidco; and (ii) not to appoint a proxy or representative for or to attend any general meeting or separate class meeting of the Company.

6 Scheme Effective Time

- 6.1 This Scheme shall become effective as soon as a copy of the order of the Court sanctioning this Scheme under section 899 of the Act shall have been delivered to the Registrar of Companies.
- 6.2 Unless this Scheme shall have become effective on or before 31 March 2020, or such later date, if any, as the Company and CK Bidco may agree and the Court may allow, this Scheme shall never become effective.

7 Modification

The Company and CK Bidco may jointly consent on behalf of all concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

8 Governing law

This Scheme is governed by the laws of England and Wales and is subject to the exclusive jurisdiction of the English Courts.

Dated 16 September 2019

PART VIII DEFINITIONS

In this document, the following words and expressions have the following meanings, unless the context requires otherwise:

2018 Greene King Annual Report	the annual report and audited accounts of the Greene King Group for the 52 weeks ended 29 April 2018
2019 Greene King Annual Report	the annual report and audited accounts of the Greene King Group for the 52 weeks ended 28 April 2019
Acquisition	the proposed recommended cash acquisition by CK Bidco of the entire issued and to be issued share capital of Greene King not already owned by or on behalf of the CKA Group to be implemented by means of a scheme of arrangement or, subject to the terms of the Co-operation Agreement, if CK Bidco so elects and the Panel consents, a Takeover Offer
Associated Undertaking	has the meaning given to it in paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations)
Authorisations	regulatory authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals
BLUE Form of Proxy	the BLUE form of proxy for use in relation to the Court Meeting and which accompanies this document
Business Day	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London, England are open for normal business
Capital Allocation Policy	the capital allocation policy published by Greene King in the 2019 Greene King Annual Report
certificated or in certificated form	not in uncertificated form (that is, not in CREST)
Christie & Co	Christie Owen & Davies Plc, part of the Christie Group Plc, which is listed on the London Stock Exchange
Christie & Co Property Valuation Report	the valuation report prepared by Christie & Co in respect of Greene King's portfolio of 1,933 public houses, restaurants and hotels in England, Scotland and Wales
Citigroup	Citigroup Global Markets Limited
CK Bidco	CK Noble (UK) Limited, a company incorporated in England and Wales with registered number 12149330
CK Bidco Board	the CK Bidco Directors, collectively
CK Bidco Directors	the directors of CK Bidco
CKA	CK Asset Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose registered

office is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

CKA Board	the CKA Directors, collectively
CKA Board Recommendation	a unanimous and unconditional recommendation from CKA Directors that the CKA Shareholders vote in favour of the resolution(s) to approve and implement the Acquisition at the CKA General Meeting
CKA Board Recommendation Change	if the CKA Directors withdraw, qualify or adversely modify: (i) prior to publication of the CKA Circular, their intention to give the CKA Board Recommendation in the CKA Circular so that it is not given in the CKA Circular; or (ii) following publication of the CKA Circular, the CKA Board Recommendation
CKA Circular	the circular to be issued by CKA to CKA Shareholders on or around the same date as the date of this document for the purposes of providing information regarding the Acquisition and containing, amongst other things, notice of the CKA General Meeting, as prepared in accordance with the Hong Kong Listing Rules
CKA Directors	the directors of CKA
CKA General Meeting	the extraordinary general meeting of CKA to be convened for CKA Shareholders to consider and if thought fit pass the resolution to approve, effect and implement the Acquisition including any adjournments thereof
CKA Group	CKA and its subsidiary undertakings and where the context permits, each of them
CKA Share(s)	the ordinary shares of HK\$1.00 each in the capital of CKA
CKA Shareholders	holders of CKA Shares
Closing Price	the closing middle market price of a Greene King Share as derived from the Daily Official List on any particular date
CMA	the Competition and Markets Authority
Colliers International	Colliers International Property Advisers UK LLP
Colliers International Property Valuation Report	the valuation report of Colliers International in respect of the 757 freehold and leasehold public houses which form part of the UK wide pub estate owned by Spirit Pub Company, a subsidiary of Greene King
Companies Act 2006	the Companies Act 2006 (as amended from time to time)
Completion	completion of the Acquisition
Conditions	the conditions to the implementation of the Acquisition (including the Scheme) which are set out in Part III of this document

Confidentiality Agreement	the confidentiality agreement between CKA and Greene King dated 17 July 2019
Co-operation Agreement	the co-operation agreement dated 19 August 2019 between CK Bidco and Greene King relating to, among other things, the implementation of the Acquisition
Court	the High Court of Justice in England and Wales
Court Meeting	the meeting of the Scheme Shareholders to be convened pursuant to an order of the Court pursuant to section 896 of the Companies Act 2006 to consider and, if thought fit, approve the Scheme, including any adjournment thereof
CREST	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations)
CREST Manual	the CREST manual referred to in agreements entered into by Euroclear
CREST Proxy Instruction	the appropriate CREST message properly authenticated in accordance with Euroclear's specifications and which contains the information required for such instructions, as described in the CREST Manual
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
Daily Official List	the daily official list of the London Stock Exchange
Dealing Disclosure	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in interests in relevant securities of a party to an offer
Disclosed	the information disclosed by or on behalf of Greene King: <ul style="list-style-type: none"> (a) in the 2018 Greene King Annual Report; (b) in the 2019 Greene King Annual Report; (c) in the Rule 2.7 Announcement; (d) in any other announcement to a Regulatory Information Service prior to the date of the Rule 2.7 Announcement; (e) in filings made with, and made publicly available online by, the Registrar of Companies within the last two years; (f) on Greene King's website at www.greeneking.co.uk; or (g) fairly disclosed prior to the date of the Rule 2.7 Announcement to CKA, CK Bidco or their respective advisers (in their capacity as such)
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules and regulations made by the FCA under Part VI of FSMA and contained in the FCA's publication of the same name, as amended from time to time

EBITDA	earnings before interest, taxes, depreciation and amortisation
Effective	in the context of the Acquisition: (a) if the Acquisition is implemented by way of a Scheme, the Scheme having become effective pursuant to its terms; or (b) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having been declared or having become unconditional in all respects in accordance with the requirements of the Takeover Code
Effective Date	the date on which the Scheme becomes effective pursuant to its terms
Euroclear	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738
Exchange Act	US Securities Exchange Act of 1934 (as amended)
Excluded Shareholder	a holder of Excluded Shares
Excluded Shares	any Greene King Shares which are registered in the name of, or beneficially owned by CK Bidco or any other member of the CKA Group or held by the Company in treasury at the relevant date or time
Explanatory Statement	the explanatory statement relating to the Scheme, as set out in Part II of this document which, together with the documents incorporated therein, constitutes the explanatory statement relating to the Scheme as required by section 897 of the Companies Act 2006
FCA	the Financial Conduct Authority of the United Kingdom or its successor from time to time
Final Dividend	the final dividend for the 52 weeks ending 28 April 2019 of 24.4 pence per Greene King Share announced on 27 June 2019 and paid on 13 September 2019 to Greene King Shareholders on the register as at the close of business on 9 August 2019
Fitch	Fitch Ratings Limited
Form(s) of Proxy	either or both of the BLUE Form of Proxy and the YELLOW Form of Proxy, as the context requires
FSMA	the Financial Services and Markets Act 2000, as amended from time to time
GKRL	Greene King Retailing Limited, a member of the Greene King Group
Greene King Articles	the articles of association of Greene King in force from time to time
Greene King or the Company	Greene King plc, a public limited company incorporated in England and Wales with registered number 00024511 and

whose registered address is at Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT

Greene King ADR Depositary	Deutsche Bank Trust Company Americas, acting as depositary for the Greene King ADRs
Greene King ADR Holders	holders of Greene King ADRs
Greene King ADRs	Sponsored level 1 American Depositary Receipts of Greene King for which Deutsche Bank Trust Company Americas acts as depositary
Greene King Adverse Recommendation Change	if the Greene King Directors: (i) do not include the Greene King Board Recommendation in this document; (ii) withdraw, qualify or adversely modify the Greene King Board Recommendation; or (iii) prior to publication of this document, withdraw, qualify or adversely modify their intention to give the Greene King Board Recommendation in this document
Greene King Board	the Greene King Directors, collectively
Greene King Board Recommendation	a unanimous and unconditional recommendation from Greene King Directors that Greene King Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the Greene King General Meeting, or, if CK Bidco proceeds by way of a Takeover Offer, to accept the Takeover Offer, as the case may be
Greene King Deposit Agreement	the deposit agreement dated 12 March 2010 between Greene King and Deutsche Bank Trust Company Americas, including the form of American Depositary Receipt for American Depositary Shares representing deposited ordinary shares of Greene King attached thereto, setting forth the terms of the Greene King ADRs
Greene King Directors	the directors of Greene King, whose names are set out in paragraph 2.1 of Part VI of this document
Greene King Executive Directors	the executive directors of Greene King as at the date of this document
Greene King General Meeting	the general meeting of Greene King Shareholders to be convened to consider and, if thought fit pass, <i>inter alia</i> , the Special Resolution, and to be held at 10.15 a.m. on 9 October 2019 or as soon thereafter as the Court Meeting shall have been concluded or been adjourned, notice of which is set out in Part X of this document, and any adjournment thereof
Greene King Group	Greene King and its subsidiary undertakings and where the context permits, each of them
Greene King Meetings	the Court Meeting and the Greene King General Meeting
Greene King Non-Executive Directors	the non-executive directors of Greene King as at the date of this document
Greene King Register of Members	the register of members of Greene King

Greene King’s Registrar or Link Asset Services	Link Asset Services (a trading name of Link Market Services Limited), 34 Beckenham Road, Beckenham, Kent BR3 4TU
Greene King Remuneration Committee	the remuneration committee of Greene King plc from time to time
Greene King Services Limited	Greene King Services Limited, a private limited company incorporated in England and Wales with registered number 03324493 and whose registered address is at Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT
Greene King Share Plans	the Greene King plc Performance Share Plan 2013, the Greene King plc 2016 Restricted Share Plan, the Greene King Sharesave Scheme 2015, the Greene King Free4All Employee Profit Share Scheme, the Greene King Save4Shares Scheme 2005 and the Spirit Share Incentive Plan
Greene King Shareholders	registered holders of Greene King Shares from time to time
Greene King Shares	the existing unconditionally allotted or issued and fully paid ordinary shares of 12.5 pence each in the capital of Greene King and any further shares which are unconditionally allotted or issued before the Scheme becomes Effective but excluding in both cases any such shares held or which become held in treasury, each a “Greene King Share”
HMRC	HM Revenue & Customs
holder	a registered holder and includes any person entitled by transmission
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
HSBC	HSBC Bank plc
intervene	a Third Party shall be regarded as having “intervened” if it has decided or intimated a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided and “intervene” shall be construed accordingly
Irrevocable Undertakings	the irrevocable undertakings of the Greene King Directors, the CKA Directors and the CKA Shareholders referred to in paragraph 6 of Part VI of this document
Latest Practicable Date	13 September 2019, being the latest practicable date prior to the publication of this document
Listing Rules	the listing rules and regulations made by the FCA under Part VI of FSMA and contained in the FCA’s publication of the same name, as amended from time to time

London Stock Exchange	London Stock Exchange plc or its successor
Long Stop Date	31 March 2020, or such later date as CK Bidco and Greene King may with the consent of the Panel, agree and, if required, the Court may allow
Main Market	the London Stock Exchange's main market for listed securities
Market Abuse Regulation	the Market Abuse Regulation (EU) (No 596/2014)
Moody's	Moody's Investor Service Ltd
Note Issuer First SPV	a special purpose vehicle that is not a member of the Greene King Group that has issued the relevant notes referred to in Part B of Part IV and paragraph 11.1 of Part VI of this document
Note Issuer Second SPV	a special purpose vehicle that is not a member of the Greene King Group that has issued the relevant notes referred to in Part B of Part IV of this document
Notice of Court Meeting	the notice of Court Meeting set out in Part IX of this document
Notice of Greene King General Meeting	the notice of Greene King General Meeting set out in Part X of this document
Offer Period	the period commencing on 19 August 2019 and ending on: (i) the earlier of the date on which the Scheme becomes Effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide); or (ii) the earlier of the date on which the Takeover Offer has become or been declared unconditional as to acceptances and/or the date on which the Takeover Offer lapses or is withdrawn (or such other date as the Panel may decide), in each case, other than where such lapsing or withdrawal is as a result of CK Bidco exercising its right to implement the Acquisition by way of a Takeover Offer or a Scheme (as appropriate)
Official List	the official list maintained by the FCA pursuant to Part VI of FSMA
Opening Position Disclosure	an announcement pursuant to Rule 8 of the Takeover Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to an offer
Overseas Shareholders	holders of Greene King Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
Panel	the UK Panel on Takeovers and Mergers
Phase 2 CMA Reference	a reference of the Acquisition to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
Property Valuation Reports	the Christie & Co Property Valuation Report and the Colliers International Property Valuation Report

PRA	the Prudential Regulation Authority of the United Kingdom or its successor from time to time
Pubs Code	the Pubs Code etc. Regulations 2016
Registrar of Companies	the Registrar of Companies in England and Wales
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
Regulatory Condition	the Condition set out in paragraph 3(b) of Part A of Part III of this document
Regulatory Information Service	a regulatory information service as defined in the FCA's Handbook of rules and guidance as amended from time to time
relevant securities	Greene King Shares, other Greene King share capital and any securities convertible into or exchangeable for, and rights to subscribe for, any of the foregoing
Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Greene King Shareholders in that jurisdiction (in accordance with Rule 30.3 of the Takeover Code)
Rothschild & Co	N.M. Rothschild and Sons Limited
Rule 2.7 Announcement	the joint announcement of the Acquisition, dated 19 August 2019, by the Greene King Board and the CK Bidco Board in accordance with Rule 2.7 of the Takeover Code
S&P	S&P Global Ratings Europe Limited, a division of The McGraw-Hill Companies, Inc.
Sanction Hearing	the hearing by the Court to sanction the Scheme under section 899 of the Companies Act 2006
Scheme	the scheme of arrangement proposed to be made under Part 26 of the Companies Act 2006 between Greene King and the holders of Scheme Shares, as set out in Part VII of this document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Greene King and CK Bidco
Scheme Court Order	the order of the Court sanctioning the Scheme under section 899 of the Companies Act 2006
Scheme Record Time	6.30 p.m. on the Business Day immediately after the date on which the Court makes the Scheme Court Order
Scheme Shareholder	a holder of Scheme Shares at any relevant date or time
Scheme Shares	the Greene King Shares: <ul style="list-style-type: none"> (a) in issue at the date of this document; (b) (if any) issued after the date of this document and before the Voting Record Time; and

(c) (if any) issued at or after the Voting Record Time and before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or have agreed in writing to be, bound by the Scheme,

and, in each case, which remain in issue at the Scheme Record Time, but excluding, in any case, any Excluded Shares

Shareholder Helpline	0871 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside the UK
Special Resolution	the special resolution set out in the Notice of Greene King General Meeting set out in Part X of this document
subsidiary	has the meaning given in section 1159 of the Companies Act 2006
subsidiary undertaking	has the meaning given in section 1162 of the Companies Act 2006
Takeover Code	the City Code on Takeovers and Mergers, as amended from time to time
Takeover Offer	subject to the consent of the Panel, should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006, the offer to be made by or on behalf of CK Bidco to acquire the entire issued and to be issued share capital of Greene King, other than Greene King Shares held by the CKA Group and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
Third Party	any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, antitrust regulator, central bank, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any relevant jurisdiction
uncertificated or in uncertificated form	recorded on the relevant register as being held in uncertificated form in CREST and title to or interests in which may be transferred by means of CREST
undertaking	has the meaning given in section 1161 of the Companies Act 2006
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
Voting Record Time	6.30 p.m. on the day which is two days before the date of the Court Meeting or the Greene King General Meeting (as applicable) or, if the Court Meeting (or Greene King General Meeting) is adjourned, 6.30 p.m. on the day which

is two days before the date of such adjourned meeting, in each case excluding any part of a day that is not a working day

VAT	value added tax or any similar sales or turnover tax
VSQ	value, service and quality
Wider CKA Group	CKA Group and Associated Undertakings and any other body corporate, partnership, joint venture or person in which CKA and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent
Wider Greene King Group	Greene King and Associated Undertakings and any other body corporate, partnership, joint venture or person in which Greene King and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent
YELLOW Form of Proxy	the YELLOW form of proxy for use in relation to the Greene King General Meeting and which accompanies this document
£ or pounds sterling	pounds sterling, the lawful currency for the time being of the UK, and references to “pence” and “p” shall be construed accordingly

All times referred to are to London time unless otherwise stated.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

**PART IX
NOTICE OF COURT MEETING**

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
COMPANIES COURT (ChD)**

CR-2019- 005629

ICC JUDGE MULLEN

IN THE MATTER OF GREENE KING PLC

- and -

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that by an Order dated 13 September 2019 made in the above matters the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the Scheme Shareholders (as defined in the scheme of arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made between Greene King plc (the “**Company**”) and the Scheme Shareholders, and that such meeting shall be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ on 9 October 2019 at 10.00 a.m., at which place and time all Scheme Shareholders are requested to attend.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this Notice forms part.

Voting on the resolution to approve the Scheme will be by way of poll, which shall be conducted as the Chairman of the Court Meeting shall determine.

Scheme Shareholders entitled to attend and vote at the Court Meeting may vote in person or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead.

A BLUE form of proxy for use in connection with the Court Meeting is enclosed with this Notice or shall be sent in a separate mailing to those Scheme Shareholders who have elected or are deemed to have elected to receive documents and notices from the Company via the Company’s website.

Scheme Shareholders entitled to attend and vote at the Court Meeting who hold their shares through CREST may appoint a proxy using the CREST electronic proxy appointment service by following the procedures described in the CREST Manual.

Scheme Shareholders entitled to attend and vote at the Court Meeting may appoint a proxy online via www.greeneking-shares.com by logging in and selecting the “Proxy Voting” link. Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

Completion and return of a BLUE form of proxy, or the appointment of a proxy through CREST or electronically, shall not prevent a Scheme Shareholder from attending and voting in person at the Court Meeting or any adjournment thereof.

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their shares. Scheme Shareholders are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such Scheme Shareholder. A space has been included in the BLUE form of proxy to allow Scheme Shareholders to specify the number of shares in respect of which that proxy is appointed. Scheme Shareholders who return the BLUE form of proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all their Scheme Shares.

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company’s registrars, Link Asset Services on 0871 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside the UK, for further BLUE forms of proxy or photocopy the BLUE form of proxy as required. Such Scheme Shareholders should also read the information regarding the appointment of multiple proxies set out on pages 10 and 36 of the document of which this Notice forms part and on the BLUE form of proxy.

It is requested that BLUE forms of proxy, and any power of attorney or other authority under which they are executed (or a duly certified copy of any such power or authority), be lodged with the Company's registrars, Link Asset Services, at PXS, 34 Beckenham Road, Beckenham, Kent, United Kingdom BR3 4TU, or be submitted via CREST or electronically, by no later than 10.00 a.m. on 7 October 2019 (or not less than 48 hours (excluding any part of a day that is not a working day) before the time appointed for any adjourned meeting), but if forms are not so lodged or submitted they may be handed to the Chairman, or the Company's registrars on behalf of the Chairman, at the start of the Court Meeting.

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Entitlement to attend and vote at the Court Meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the register of members of the Company at 6.30 p.m. on the day which is two days before the date of the Court Meeting or adjourned meeting (as the case may be), in each case excluding any part of a day that is not a working day. In each case, changes to the register of members of the Company after such time shall be disregarded.

By the said Order, the Court has appointed Robert Rowley or, failing him, Nicholas Mackenzie or, failing him, any other director of the Company, to act as Chairman of the Court Meeting and has directed the Chairman to report the result thereof to the Court.

The Scheme of Arrangement shall be subject to the subsequent sanction of the Court.

Dated 16 September 2019

LINKLATERS LLP
One Silk Street
London EC2Y 8HQ
Solicitors for the Company

PART X
NOTICE OF GENERAL MEETING

GREENE KING PLC

(Registered in England and Wales with registered number 00024511)

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of the Company shall be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ on 9 October 2019 at 10.15 a.m. (or as soon thereafter as the Court Meeting (as defined in the document of which this Notice forms part) has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution which shall be proposed as a special resolution:

SPECIAL RESOLUTION

1 THAT:

- (1) for the purpose of giving effect to the scheme of arrangement dated 16 September 2019 (the “**Scheme**”) between the Company and its Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman thereof, in its original form or subject to any modification, addition or condition agreed by the Company and CK Noble (UK) Limited and approved or imposed by the High Court of Justice in England and Wales, the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (2) with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 149:

“149 SCHEME OF ARRANGEMENT

149.1 In this Article, the “**Scheme**” means the scheme of arrangement dated 16 September 2019 between the Company and its Scheme Shareholders (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the High Court of Justice in England and Wales and agreed by the Company and CK Noble (UK) Limited (“**CK Bidco**”) and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article.

149.2 Notwithstanding any other provision of these Articles, if the Company issues any Ordinary Shares (other than to CK Bidco or its nominee(s)) after the adoption of this Article and before the Scheme Record Time, such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the holders of such shares shall be bound by the Scheme accordingly.

149.3 Subject to the Scheme becoming effective, if any Ordinary Shares are issued to any person (a “**New Member**”) (other than under the Scheme or to CK Bidco or its nominee(s)) at or after the Scheme Record Time (the “**Post-Scheme Shares**”), they shall be immediately transferred to CK Bidco (or as it may direct) in consideration of the payment to the New Member of an amount in cash for each Post-Scheme Share equal to the cash consideration per Scheme Share payable pursuant to the Scheme, provided that any New Member may, prior to the issue of any Post-Scheme Shares to such New Member pursuant to the exercise of an option under any of the Greene King Share Plans, give not less than five business days’ written notice to the Company in such manner as the directors shall prescribe of their intention to transfer some or all of such Post-Scheme Shares to their spouse or civil partner. Any such New Member may, if such notice has been validly given, on such Post-Scheme Shares being issued to such New Member, immediately transfer to their spouse or civil partner any such Post-Scheme Shares, provided that such Post-Scheme Shares shall then be immediately transferred from that spouse or civil partner to CK Bidco (or as it may direct) pursuant to this Article as if the spouse or civil partner were a New Member. Where a transfer of Post-Scheme Shares to a New Member’s spouse or civil partner takes place in accordance with this Article, references to “**New Member**” in this Article shall be taken as referring to the spouse or civil partner of the New Member. If notice has been validly given pursuant to this Article but the New Member does not immediately transfer to their

spouse or civil partner the Post-Scheme Shares in respect of which notice was given, such shares shall be transferred directly to CK Bidco (or as it may direct) pursuant to this Article.

For the purposes of this Article, “**Greene King Share Plans**” means the Greene King plc Performance Share Plan 2013, the Greene King plc 2016 Restricted Share Plan, the Greene King Sharesave Scheme 2015, the Greene King Free4All Employee Profit Share Scheme, the Greene King Save4Shares Scheme 2005 and the Spirit Share Incentive Plan.

- 149.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) effected after the Scheme Effective Time, the value of the cash payment per share to be paid under paragraph 149.3 of this Article may be adjusted by the directors in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this Article to Ordinary Shares shall, following such adjustment, be construed accordingly.
- 149.5 To give effect to any transfer of Post-Scheme Shares, the Company may appoint any person as attorney or agent for the New Member to transfer the Post-Scheme Shares to CK Bidco and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney or agent be necessary or desirable to vest the Post-Scheme Shares in CK Bidco or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as CK Bidco may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of CK Bidco) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by CK Bidco. The attorney or agent shall be empowered to execute and deliver as transferor a form or forms of transfer or other instrument(s) or instruction(s) of transfer on behalf of the New Member in favour of CK Bidco and/or its nominee(s) and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register CK Bidco and/or its nominee(s) as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. CK Bidco shall send a cheque in sterling drawn on a UK clearing bank in favour of the New Member for the consideration for such Post-Scheme Shares to the New Member within seven days of the issue of the Post-Scheme Shares to the New Member.
- 149.6 Notwithstanding any other provision of these Articles, neither the Company nor the directors shall register the transfer of any Scheme Shares between the Scheme Record Time and the Scheme Effective Time.”.

By order of the Board

16 September 2019

Lindsay Keswick
Company Secretary

Registered Office
Westgate Brewery
Bury St Edmunds
Suffolk IP33 1QT

Notes to the Notice of General Meeting:

- 1 A Greene King Shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and speak and vote at the meeting. A proxy need not be a member of the Company. A Greene King Shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise rights attached to a different Greene King Share (or Greene King Shares) held by that Greene King Shareholder. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting in person.
- 2 Greene King Shareholders will find enclosed with this document a YELLOW Form of Proxy for in respect of the General Meeting. Whether or not you intend to attend the Greene King Meetings in person, please

complete, sign and return the YELLOW Form of Proxy in accordance with note 4 below. As an alternative to completing a hard copy YELLOW Form of Proxy, proxies may be appointed online (see note 5 below) or through the CREST electronic proxy appointment service (see note 6 below).

- 3 To appoint more than one proxy, you may photocopy the YELLOW form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which in aggregate should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. Additional YELLOW forms of proxy can be obtained from the Company's registrars, Link Asset Services, on 0871 664 0391 if calling from the UK (or +44 (0) 371 664 0391 if calling from outside the UK). Calls cost 12p per minute plus your phone company's access charge. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m. Monday to Friday excluding public holidays in England and Wales. All YELLOW forms of proxy must be signed and returned together in the same envelope.
- 4 To be valid, the YELLOW form of proxy must be completed, signed and returned in accordance with the instructions printed on them as soon as possible and in any event so as to be received by the Company's registrar at Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 10.15 a.m. on 7 October 2019 or, in the case of an adjourned meeting, not less than 48 hours (excluding any part of a day that is not a working day) before the time and date set for such adjourned meeting.
- 5 Alternatively, you may appoint a proxy online via www.greeneking-shares.com by logging in and selecting the "Proxy Voting" link. For an online proxy appointment to be valid, the appointment must be received by the Company's registrar by no later than 10.15 a.m. on 7 October 2019 or, in the case of an adjourned meeting, not less than 48 hours (excluding any part of a day that is not a working day) before the time and date set for such adjourned meeting.
- 6 Greene King Shareholders who hold Greene King Shares through CREST who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service for the General Meeting or any adjournment(s) thereof may do so by following the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider(s)) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 7 In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy) must, to be valid, be transmitted so as to be received by the Company's registrar, Link Asset Services (under CREST ID RA10) by no later than 10.15 a.m. on 7 October 2019 or, in the case of an adjourned meeting, not less than 48 hours (excluding any part of a day that is not a working day) before the time and date set for such adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to them by other means.
- 8 CREST members (and, where applicable, their CREST sponsors or voting service provider(s)) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 9 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 10 The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with the provisions of section 146 of the Companies Act 2006 ("**nominated persons**"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to

have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. Nominated persons should contact the member by whom they were nominated in respect of these arrangements.

- 11** In the case of joint Greene King Shareholders, any one Greene King Shareholder may vote. Where more than one of the joint Greene King Shareholders is present at the General Meeting, or purports to appoint a proxy, only the vote of, or the appointment submitted by, the most senior Greene King Shareholder will be accepted. Seniority is determined by the order in which the names of the joint Greene King Shareholders appear in the register of members of the Company in respect of the joint shareholding (the first named being the most senior).
- 12** The “Withheld” option on the YELLOW Form of Proxy is provided to enable Greene King Shareholders to abstain on the Special Resolution. However, a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes “For” or “Against” the Special Resolution.
- 13** Entitlement to attend and vote at the General Meeting (and the number of votes which may be cast at the meeting), will be determined by reference to the Company’s register of members at 6.30 p.m. on 7 October 2019, or, if the General Meeting is adjourned, 6.30 p.m. on the date falling two days (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting. In each case, changes to the register after such time will be disregarded.
- 14** The total number of issued Greene King Shares on 13 September 2019, which is the latest practicable date before the publication of this document, is 310,015,430. Greene King holds no Greene King Shares in treasury.
- 15** Voting at the General Meeting will be conducted by way of poll and each Greene King Shareholder who is present in person or by proxy has one vote for every Greene King Share of which they are the holder. Due to the length of time anticipated to be required to calculate the results of the poll, the result may not be announced at the General Meeting. The result of the vote at the General Meeting will be announced by the Company via a Regulatory Information Service as soon as practicable after it is known.
- 16** Except as provided above, Greene King Shareholders who wish to communicate with the Company in relation to the General Meeting should do so by writing to the company secretary at the registered office address or to the Company’s registrar, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. No other methods of communication will be accepted. In particular, you may not use any electronic address provided either in this notice of meeting or in any related documents to communicate with the Company for any purposes other than those expressly stated.
- 17** Any Greene King Shareholder attending the meeting has the right to ask questions. The Company must answer any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- 18** A copy of this notice, and any other information required by section 311A of the Companies Act 2006, can be found at www.greeneking.co.uk/investor-centre/recommended-cash-offer/.

APPENDIX I
RULE 29 LETTER FROM CHRISTIE & CO

The Directors
Greene King plc ("Greene King")
Westgate Brewery,
Bury St Edmunds,
Suffolk,
IP33 1QT

N.M Rothschild & Sons Ltd ("Rothschild & Co")
New Court
St Swithin's Lane
London
EC4N 8AL

Citigroup Global Markets Limited ("Citi")
Citigroup Centre
33 Canada Square
Canary Wharf
London, E14 5LB
United Kingdom

16 September 2019

Dear Sirs

VALUATION OF 1,933 PUBLIC HOUSES, RESTAURANTS AND HOTELS OWNED BY Greene King PLC

1. Introduction and Scope

In accordance with your instructions, set out in our letter of engagement dated 29 August 2019, Christie & Co ("Christie & Co" or "we") understand that you require our opinion on the valuations of a portfolio of 1,933 Public Houses, Restaurants and Hotels (the 'Portfolio', the 'Properties' and each 'Property') in England, Scotland and Wales which are owned and operated by Greene King either directly as managed houses or as tenanted or franchised operations.

Christie & Co undertook the valuation of the Properties as at 26 September 2018 (the "Previous Valuation"), with the valuations being used for the purpose of an issuance of further notes by Greene King Finance Plc (the 'Securitisation Offers').

This report (the "Report") is required in order to facilitate the Directors of the Company in satisfying the requirements of Rule 29.5 of the Takeover Code (the "Code"). Accordingly, we have reviewed the Previous Valuation of the Properties to ascertain whether there has been a material change in value since the date of the Previous Valuation.

This Report has been prepared under the requirements of Rule 29 the "Code" and will be included in the scheme document to be published by the Company in connection with the proposed acquisition of the entire issued and to be issued share capital of the Company by CK Noble (UK) Limited (the "Purpose").

2. Basis of Previous Valuation

Christie & Co has provided its opinion of the value of the Portfolio in accordance with the RICS, Valuation - Global Standards published by the Royal Institution of Chartered Surveyors in June 2017 (the 'Red Book') and incorporating the International Valuation Standards 2017 ('IVS').

Whitefriars House
6 Carmelite Street
London EC4Y 0BS

T: +44 (0) 20 7227 0700
F: +44 (0) 20 7227 0701
E: enquiries@christie.com



Market Value is defined in the Red Book as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Although not prepared for the purposes of Rule 29 of the Code, the Previous Valuation is compliant with Rule 29 of the Code.

3. The Previous Valuation

Sections 4 to 9 below set out details below of the Previous Valuation as required in accordance with Rule 29 of the Code and references to the “Valuation” and facts and opinions are to the valuation carried out and the position as at 26 September 2018.

4. Status of Valuer, Valuation Standards and Conflicts of Interest

The Previous Valuation involved site visits of all of the 1,933 Properties by suitably experienced and qualified surveyors employed by Christie & Co. The Previous Valuation was prepared under the direction of Stephen Owens FRICS MCI Arb and Ted Darley BSc (Hons) MRICS of Christie & Co. It was agreed that where Properties have been inspected in the previous valuation exercises referred to below further inspections were not required unless there had been a material change of circumstances.

From time to time, Christie & Co has provided various services to Greene King, including valuation, acquisition and disposal advice. In addition, Christie & Co from time to time has provided advice and services to Greene King’s tenants. More specifically Christie & Co provided valuation advice in May 2016 on 1,543 Public Houses, Restaurants and Hotels owned by Greene King for securitisation purposes. This followed on from a valuation of a larger portfolio of 1,901 Public Houses, Restaurants and Hotels in 2015 on behalf of Greene King for internal purposes.

We confirm that our fees generated from total fees from Greene King in our prior financial year represent less than 5% of our prior financial years income. Christie & Co is satisfied that no conflict of interest arises or exists which prevents us from undertaking the Valuation.

5. The Properties Subject to the Previous Valuation

The property profile is as below:

Tenure	No. Properties
Managed houses	1,205 (62%)
Tenanted / leased or franchised properties	728 (38%)
Total	1,933

The Portfolio comprises 1,933 Properties which form part of a wider portfolio of over 2,900 Public Houses, Restaurants and Hotels operated by Greene King throughout the United Kingdom. The managed Properties are within the company’s Pub Company division, which includes branded and unbranded pubs, restaurants and hotels, with the main branded operations including the likes of Hungry Horse, Chef and Brewer, Old English Inns, Loch Fyne Seafood & Grill, Flaming Grill and Farmhouse Inns.

The tenanted, leased and franchised Properties are within the Pub Partners division, operated under a variety of occupational and tenancy agreements, the majority on a tied or partially-tied basis with the franchise agreements being operated under the ‘meet and greet’ and ‘local hero’ banners.



The tenanted and leased Properties are let on a variety of lease types reflecting the historic composition of the Greene King estate with short term leases generally being on an internal repairing basis with longer term leases being on a full repairing basis.

There are also a variety of tied types, ranging from partial-tie to full-tie with a small number of free-of-tie properties. The securitised Portfolio comprises 1,933 Properties split 1,205 managed and 728 tenanted/leased.

6. Assumptions and Sources of Information of the Previous Valuation

The Previous Valuation was undertaken on the basis of a number of General Terms, and Special Assumptions and Definitions which are detailed in the Appendices 2 to this Report, and we confirm that similar Assumptions and Definitions would be adopted if we were undertaking valuations as at the date of this Report.

We have made the Special Assumption that there has been no material changes to any of the Properties since the date of the Previous Valuation, having made reasonable enquiries of the Company.

We have also assumed that the information provided by the Company is accurate and can, if necessary, be verified, and that we have been supplied with all the information that has a material effect upon the value of the Properties.

7. Tenure of Properties Subject to the Previous Valuation

The estate is predominantly freehold, with 84.32% of the Properties held freehold, 1.35% on mixed tenure and 14.33% held on lease. The managed Portfolio is 76.68% freehold, 1.49% mixed tenure with 21.83% of the estate being leasehold. The tenanted Portfolio is 97% freehold with 1% mixed tenure and 2% leasehold.

8. Valuation Approach

The Valuation has been prepared in accordance with the Red Book published by the RICS having regards to the definition of Market Value.

Market Value is defined in the Red Book as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

In accordance with VPGA 9 of the Red Book, entitled 'Identification of portfolios, collections and group of properties', we have had regard to where the ownership of a number of separate properties would be of a particular advantage to a single owner or occupier because of economies that may result from either increased market share or savings in administration or distribution.

The Portfolio comprises a mix of managed houses, tenanted properties (held on a variety of lease types) and franchise agreements.

In our opinion, there is a market for such properties of public houses, restaurants and hotels and these are commonly assessed by the market, and consequently by valuers, as part of a sale of a portfolio or in sub-groups. It is therefore appropriate to consider and provide a valuation on the basis that it is reasonable to assume that a group or portfolio sale is most likely and advantageous.



Given the nature of the Portfolio and its geographical distribution, we believe that there is likely to be a buyer for the six identified sub-parts of the business who will be able to negotiate a similar price discounts and the purchasing terms to those that have been adopted in the Previous Valuation.

The Previous Valuation assumes that a Property will be sold as part of a Portfolio or group sale and does not necessarily represent the valuation of individual Properties and if the Properties were to be disposed of individually, or in smaller groups, then the sum of the values realised are likely to be less than the Previous Valuations reported herein.

In current market conditions this continues to be the approach which purchasers, and therefore valuers, would adopt if undertaking the valuations as at the date of this Report.

9. Valuation of the Properties

In accordance with the valuation approach set out at in this report we set out below our opinion of Market Value of the various Portfolios as at 26 September 2018. Market Value is defined in the "Valuation Approach" and subject to the General and Special Assumptions set out in Appendix 2.

	Portfolio	No. Properties	Valuation (£)
Managed	One	324	897,310,000
	Two	168	430,525,000
	Three	138	429,625,000
	Four	536	913,370,000
Tenanted	A	344	270,940,000
	B	345	266,075,000
Disposal (M/T)	Disposal	78	34,380,000
Total		1,933	3,242,225,000

- Portfolio One (324 Properties) £897,310,000
Eight hundred and ninety seven million three hundred and ten thousand pounds
- Portfolio Two (168) £430,525,000
Four hundred and thirty million five hundred and twenty five thousand pounds
- Portfolio Three (138) £429,625,000
Four hundred and twenty nine million six hundred and twenty five thousand pounds
- Portfolio Four (536) £913,370,000
Nine hundred and thirteen million three hundred and seventy thousand pounds
- Portfolio A (344) £270,940,000
Two hundred and seventy million nine hundred and forty thousand pounds
- Portfolio B (345) £266,075,000
Two hundred and sixty six million and seventy five thousand pounds
- Disposals (78) £34,380,000
Thirty four million three hundred and eighty thousand pounds



Definitions of the Portfolio categories are outlined in Appendix 3.

10. No Material Difference Statement

Within a portfolio which encompasses hundreds of individual properties there are, inevitably, short term changes in trading performance, changes in lease agreements, or in operating formats, all of which can cause individual properties to experience fluctuations in value, some of which will be positive, whilst others will be negative.

We have been provided with more recent financial information comprising financial year end 2019 and MAT period 3 for the current year for all the Properties that are currently within the Portfolio. In addition we have scrutinised recent market transactions.

Having regard to the foregoing we conclude that there has been no material change in the Previous Valuation of the Properties which are still owned by the Company as at the date of this Report.

This statement is made in order to facilitate the Directors of the Company in satisfying the requirements of Rule 29.5 of the Code, and on the basis of valuation set out above, and the Assumptions and Definitions set out within this Report.

11. Reliance on this Report

This Report may only be relied upon by the Company and its shareholders, Rothschild & Co and Citi. No reliance may be placed on the Report, or any part of it, by any party for any purpose other than in connection with the stated Purpose.

12. Liability and Publication

For the avoidance of doubt, this Report is provided by Christie & Co and no partner, member or employee assumes any personal responsibility for it.

It has been prepared for the benefit of the Addressees, and we accept no liability at all towards any third party. For the avoidance of doubt the extent of Christie & Co's liability is limited to the extent that it is not greater than that provided in the Previous Valuation report.

Yours faithfully

Stephen Owens FRICS MCI Arb
Head of Valuation - Hospitality

T: +44 (0) 20 7227 0700

M: +44 (0) 7968 004 550

Email: stephen.owens@christie.com



APPENDIX 1:

ENGAGEMENT LETTER

Private and Confidential

Mr R Smothers
Chief Financial Officer
Greene King plc
Westgate Brewery
Bury St Edmunds
Suffolk
IP33 1QT

29 August 2019

Dear Mr Smothers

Valuation of 1933 Public Houses, Restaurants and Hotels Owned by Greene King plc

1. INTRODUCTION AND SCOPE

We understand that you require our opinion on the valuations of a portfolio of 1,933 Public Houses, Restaurants and Hotels (the 'Portfolio', the 'Properties' and each 'Property') in England, Scotland and Wales which are owned and operated by Greene King either directly as managed houses or as tenanted or franchised operations.

Christie & Co undertook the valuation of the Properties as at 26 September 2018 (the "Previous Valuation"), with the valuations being used for the purpose of an issuance of further notes by Greene King Finance Plc (the 'Securitisation Offers').

The report (the "Report") is required in order to facilitate the directors of the Company in satisfying the requirements of Rule 29.5 of the Code. Accordingly, we will review the Previous Valuation of the Properties to ascertain whether there has been a material change in value since the date of the Previous Valuation.

The report will be prepared under the requirements of Rule 29 of the Takeover Code (the "Code"), and will be included in the scheme document to be published by the Company in connection with the proposed acquisition of the entire issued and to be issued share capital of the Company by CK Noble UK Limited (the "Purpose").

2. OPINION ON MATERIAL DIFFERENCE

You have instructed us to provide our opinion on whether there is a material difference to the Previous Valuation of the Properties which are still owned by the Company.

3. RELIANCE

The report will be addressed to the Directors of Greene King plc ("Greene King"), NM Rothschild and Sons Limited ("Rothschild and Co") and Citigroup Global Markets Limited ("Citi") and is to be relied upon by them for the stated purpose only.

Whitefriars House
6 Carmelite Street
London
EC4Y 0BS

T: +44 (0) 20 7227 0700
F: +44 (0) 20 7227 0701
E: enquiries@christie.com



4. INFORMATION RELIED UPON

You will provide Christie & Co with up to date trading and tenure information (“the Information”) which we shall rely upon in providing our advice and opinion.

5. FEES

Our fees will be £48,200 plus VAT (at the current rate).

Yours sincerely

Stephen Owens FRICS MCI Arb
Director and Head of Valuation – Hospitality

Direct: +44 (0) 113 389 2726
Email: Stephen.Owens@christie.com



APPENDIX 2:

GENERAL ASSUMPTIONS



General terms and assumptions

Apart from the unlicensed properties, all the Properties have been valued on the basis of their existing use as fully equipped, operational public houses, restaurants and hotels. We have assumed that these are the authorised uses under the relevant planning legislation.

We have assumed that all requisite consents, licenses and permissions have been obtained and that there are no additions or works required by the appropriate authorities and that there are no proposals likely to affect the Properties or their values.

We have assumed that the information could be substantiated by independent audit, if necessary. We can take no responsibility for any misstatement, omission or misrepresentation made to us and confirm that, in the event of any future changes in the trading potential or actual levels of trade at any Property, the Valuation(s) could also vary.

The Valuation(s) has been made without undertaking any form of structural survey or testing the services, and we are therefore unable to report that any of the Properties are free from any structural fault, rot, contamination, infestation, or defects of any other nature, including inherent weaknesses due to the use in construction of materials now considered suspect.

On our inspections, due regard was paid to the state of repair and condition of the Properties and this was taken into account of assessing the Valuation(s). We have not undertaken any detailed investigations into the condition of any Property and assume there are no significant defects that would affect the Valuation(s).

We have not carried out or commissioned site investigations or geographic or geophysical surveys and therefore can give no opinion or assurance or guarantee that the ground upon which any of the Properties are built has sufficient load bearing strength to support the existing constructions or any of the constructions that may be erected in the future.

We can give no assurance or guarantee that there are no underground mineral or other workings beneath the sites or in their vicinity nor that there are no faults or disabilities underground which could or might affect the Properties or any constructions thereon.

We are not aware of the contents of any environmental audits or other environmental investigations or soil surveys which may have been carried out at the Properties and which would draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have assumed that no contaminative or potentially contaminative uses have ever been carried out at the Properties. We have not carried out any investigations into past or present uses, either at the Properties or any neighbouring land to establish whether there is any potential for contamination from these uses or sites to the Properties and have therefore assumed that none exists. However, should it subsequently be established that contamination exists at the Properties or at any neighbouring land, or that the Properties have been or are being put to a contaminative use this might affect the Valuation(s) now reported.

The Valuation(s) is inclusive of landlord's fixtures and fittings which normally form part of the land and buildings but excludes tenants' fixtures and fittings.

With regard to the managed Properties, these normally change hands in the open market as fully equipped operational business units. The Valuation(s) therefore include and encompass all trade furnishings, fixtures, fittings, plant and equipment as these are normally included in a sale.



We have assumed that the Properties are free and clear of all mortgages and all other charges which may be thereon.

We have assumed the Properties and the Valuation(s) thereof are unaffected by any matters which might be revealed by any local land charges search, replies to preliminary enquiries or other statutory notices and that no Property nor its condition or use is in anyway unlawful, and that the Properties comply in every respect with all statutory and other requirements.

We have assumed that all Properties are free from any underletting or other rights of occupation other than those disclosed to us.

We have assumed that all Properties are compliant with the requirements of the Equality Act 2010. We have made no allowance for any works which may be required to achieve compliance or any disruption to the business which may result.

Property owners are legally required to identify and control asbestos-containing material ('ACM') in their properties. We assume that Greene King and any previous owners of each Property have complied with such requirements and there is no unidentified ACM within any Property.

We have assumed that the Properties are trading in full compliance with the requirements of the Licensing Act 2003 and that valid Premises Licences are held for each Property.

We assume that all refurbishment, maintenance and repair works have been carried out in accordance with all relevant building control and planning regulations and requirements. We have assumed that appropriate architects' certificates have been, or will be, issued for the works, and that all necessary guarantees, warranties and certificates have been issued by the relevant suppliers, contractors and manufacturers and that these can be assigned or transferred to a purchaser.

We have assumed that the trading information provided by Greene King is accurate and realistic and represents their reasonable expectations of the performance of each Property.

Exclusions

We have not allowed for the costs of realising the value of any Property in the open market, including professional fees, possible tax liabilities and redundancy or other compensation payments that could be incurred in the event of a sale. Furthermore, we have not taken into consideration changes in legislation that are either subject to current debate, published in Green or White Papers, or Draft Bills, which are yet to pass through all necessary parliamentary stages before enactment.

We have excluded from the Valuation(s), values of stock in trade, glassware, technical services equipment, motor vehicles, trade debtors, or creditors, other assets or liabilities or contingent liabilities. Where there is potential development or other alternative use value, we have had regard to that potential in arriving at our opinion of value but we have not made any planning or other similar investigations or enquiries.

Each Property is being valued as being free and clear of all debentures, mortgages or other forms of secured lending or any other charges that may be secured thereon.



CHRISTIE & CO – TERMS & CONDITIONS OF ENGAGEMENT

Christie & Co will undertake a valuation ("the Valuation") of the Property in accordance with the terms of their Instruction Letter annexed hereto ("the Instruction Letter") following best practice in accordance with the current edition of the RICS Valuation - Global Standards published in June 2017 by the Royal Institution of Chartered Surveyors ("the Red Book") and will provide a report ("the Valuation Report") upon the Terms & Conditions hereinafter set out. Where any term of the Instruction Letter shall be inconsistent with the general Terms & Conditions below, the former shall prevail. The Valuation Report shall be provided for the purpose solely stated in the Instruction Letter and shall be for the sole use of the client ("the Client") to whom the Instruction Letter is addressed. The Terms & Conditions are as follows:-

1. For the purposes of the Valuation Report and these Terms & Conditions, the following expressions shall have the following meanings:-

"Christie & Co"	means Christie Owen & Davies Limited whose registered office is at Whitefriars House, 6 Carmelite Street, London EC4Y 0BS
"use of singular and plural"	singular words may be applied in the plural and plural words may be applied in the singular
"Property"	shall mean the Property identified in the Instruction Letter and the business or proposed business indicated in the Instruction Letter where appropriate
"Market Value"	shall have the same meaning as defined in the Red Book, which is: <i>"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</i>
"Market Rent"	shall have the same meaning as defined in the Red Book, which is: <i>"the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</i>
"Special Assumptions"	shall have the same meaning as defined by the International Valuation Standards in the Red Book, which is: <i>"an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date."</i> Certain Market Values subject to Special Assumptions ("MVSA") may be set out within the Instruction Letter.
"for existing use"	the addition of these words to "Market Value" make it necessary to presume that the Property can be used for the foreseeable future only for the existing use; and that vacant possession is provided on completion of the sale of all parts of the Property occupied by the business
"proposed use"	shall mean the proposed use notified by the Client in writing to Christie & Co at or before the date of the Instruction Letter as identified in the Instruction Letter

2. The value ascribed by Christie & Co shall be the "Market Value" (or MVSA) for the existing use or the projected use of the Property (as identified in the Instruction Letter) on the basis of the Property's present or projected condition and trading performance as a fully-equipped operational commercial unit at the date of valuation, or implementation of the projected use (as the case may be).

3. ***Unless otherwise stated in the Valuation Report, the following will not be taken into consideration:-***
 - (a) development potential (save as may be stated in writing in the Instruction Letter provided this is consistent with the Valuation Report)
 - (b) stock-in trade
 - (c) any motor vehicles used or projected for use in the business
 - (d) trade debtors and creditors or other assets or liabilities of the business
 - (e) contingent liabilities of the business or attaching to the Property



- (f) items with exceptional value beyond their current use; and
- (g) the cost of realising or acquiring the value of the Property on the open market, including professional fees, possible tax and VAT liabilities, redundancy and other compensation payments which may be triggered by the sale of the Property/business

4. **Unless previously advised by, or to, Christie & Co in writing**, Christie & Co shall be entitled to place full reliance upon the information provided by the Client or the Client's professional advisors and bankers (or the owner or owner's professional advisors and bankers where relevant) (and where reasonable to do so upon agents particulars which have been issued in respect of the Property). Where expressly stated in the Valuation Report that Christie & Co have been provided with various information from statutory authorities, whether verbally, through electronic search, in writing or otherwise, (for example, with regard to fire or planning or other statutory matters, etc) Christie & Co shall be entitled to place due reliance thereon. Notwithstanding the foregoing, Christie & Co can take no responsibility for any mis-statement, omission or misrepresentation made to it.

- 4.1 Where the Valuation is expressed to be subject to repair, refurbishment, extension or otherwise of the Property, any estimates and projections of cost provided for Christie & Co's use shall be assumed to be realistic.
- 4.2 Christie & Co will not make recommendations of how the Valuation may be enhanced by additional activity in the business or extension, development or conversion of the Property unless this is expressly within the projected use identified in the Instruction Letter.

5. Christie & Co will carry out such inspections and investigations which in their professional judgement are appropriate, taking into account any obvious or reported defects in the condition of the Property which in their opinion might have a substantial effect on the value or the security offered by the Property but for the avoidance of doubt Christie & Co will not:

- 5.1 carry out a structural survey of the Property and shall be entitled to assume that, if such a survey were undertaken, it would not reveal any inherent defect or defects which may materially affect the value of the Property. In particular, Christie & Co will not inspect woodwork, plaster or other material in, or other parts of, the Property which are covered, unexposed or inaccessible at the time of its valuation, nor the contents of any voids, pipes, ducts, tanks or systems upon, within or under the Property and such parts and internal volumes will be assumed to be in good repair and condition and free from any toxic or other moulds, bacteria, fungus, vermin, parasites or other infestation, chemicals or other contamination or pollution;
- 5.2 carry out a site investigation, or geographical, geophysical or environmental audit or survey or investigation of the Property or neighbouring land or test of air quality and shall be entitled to assume that, if the same were to be undertaken, they would not reveal any matter or matters which may materially affect the value of the Property;
- 5.3 investigate past or present land uses and (unless expressly stated in its Instruction Letter) shall assume that no harmful or hazardous material has been used in the construction of the Property or has since been incorporated or will be, that there is no contamination in or from the ground, that the ground has sufficient loadbearing strength to support the existing constructions or any other construction that may be erected upon it in the future, that it is not landfilled ground and that there is no fault, cause or disability underground which could or might affect the Property or any construction thereon;
- 5.4 carry out a survey to ascertain whether or not asbestos is present at the Property, nor have they made any assessment or judgement as to whether an asbestos survey is necessary;
- 5.5 carry out or commission any investigations or enquiry as to whether the Property and any buildings upon the Property are required to comply, or do in fact comply, with the Equality Act 2010;

and the Valuation Report shall not be deemed to express any opinion about such matters or as to the viability of the business or of any projected use.

6. **Unless otherwise stated in the Instruction Letter or the Valuation Report** (in the case of the latter as revealed at our inspection or established during our enquiries) Christie & Co shall be entitled to assume (and the Valuation Report shall not constitute any guarantee or warranty, express or implied) that:-

- 6.1 no high alumina cement or concrete, calcium or other chloride additive or any other deleterious or potentially deleterious material, or special material which is not freely available, was, or will be, used in the construction or adaptation of the Property, or has since been incorporated into the Property;



- 6.2 no contamination, pollution or infestation exists at the Property, and in particular that air volumes, surfaces and the air and liquid contents of all voids, ducts, pipes, tanks and systems are free from contamination, pollution or infestation;
- 6.3 no asbestos is present at the Property, or if such is not the case, that all persons having an interest in the Property, or who have a statutory duty to do so, have duly and fully carried out their respective obligations pursuant to regulations on control of asbestos and have maintained their continuing obligations thereunder so that no failure to manage asbestos has occurred.
- 6.4 the Property is, or will be, of sound design and construction and free from any inherent defect or defects, and that all normal services necessary for the business are in working order, and that such services are not shared by third parties;
- 6.5 all external cladding is fire retardant and capable of passing government or independent third party testing, and the integral design of the Property in respect of fire compartments complies with current fire safety legislation
- 6.6 (save as disclosed previously to Christie & Co in writing by the Client) the Property is not, nor will be, subject to any underlettings or other rights of occupation (for example, grazing, mineral, drainage rights, etc.);
- 6.7 (Christie & Co having not inspected the title deeds to the Property) the Property is, or will be, free from any unusual or onerous or contrary restrictions, encumbrances, outgoing or other third party rights, and that a good title can be shown to all parts of the Property, and that all covenants (including leasehold covenants, restrictions and stipulations) have been strictly complied with;
- 6.8 the trade furnishings, fixtures, fittings, plant and equipment ("the Trade Items") are, and will be, free from hire purchase, credit sale, leasing, rental, free loan, service agreements, or other third party rights, and the Trade Items are, or will be, in good working order, and have, or will have, all appropriate agreements and arrangements for maintenance;
- 6.9 the Property and the Trade Items and the value thereof are, and will be, unaffected by any matters which might be revealed by a Local Land Charges Search, Replies to Preliminary Enquiries or Statutory Notice; and that neither the Property nor its condition, use or projected use, is or will be in any way unlawful and that the Property and its owner holds and will continue to hold all licences required by law without the same being qualified;
- 6.10 the Property, and its use, complies and will comply in all respects with all statutory or other requirements (if any) (unless Christie & Co is expressly notified by the Client to the contrary in writing prior to the Instruction Letter);
- 6.11 the Property and Trade Items are free and clear of all mortgages and/or other charges which may or might be secured thereon;
- 6.12 unless otherwise advised to Christie & Co in writing prior to the Instruction Letter the Property constitutes, and will constitute, a single trading entity and does not, and will not, form part of a group or portfolio;
- 6.13 that all and any necessary computer systems are robust, secure and compatible with industry standards, including anti-virus protection and are able to deal with any necessary currency conversions, including the conversion of European currencies to Euros and vice versa;
- 6.14 that boundary and other plans supplied to Christie & Co are correct and that measurements thereon or therefrom are accurate;
- 6.15 in the case of Property which is to be subject to repair, refurbishment, redevelopment or other building works Christie & Co are entitled to assume that all works will be carried out in accordance with all plans and other documents and costings provided to it and that all such works will be to a good standard, meeting all relevant statutory and regulatory requirements and that all appropriate warranties, certificates, guarantees and approvals will be issued on completion of the works, and will be capable of assignment to future owners and occupiers of the Property;
- 6.16 that the Valuation Report is required by the Client for a business purpose and that the Client is consequently not a "consumer" for the purposes of consumer legislation;
- 6.17 that neither the Property nor the business are subject to any abnormal terrorist risk.



7. The Valuation Report shall be the copyright of Christie & Co and shall not be published or reproduced by the Client in any way without the express prior permission of Christie & Co.
8. The Client acknowledges the right of Christie & Co to hold details of the Property and the business upon its Group Database and acknowledges that all database rights (within the meaning of the Copyrights Designs and Patents Act 1988 and the Copyright and Rights in Databases Regulations 1997) are reserved to and owned by Christie & Co, who shall be entitled to use such data for any purpose provided that the identity of the Client and the Property remains confidential (unless the Client has agreed to his/its name being quoted by Christie & Co).
9. Christie & Co have a complaints handling procedure which is available upon request.
10. The Valuation Report will not take into account the effect of wholly unforeseen and catastrophic events upon the Property market.
11.
 - 11.1 The Client shall be responsible for, and shall hold insurance to cover risks to, the safety of Christie & Co personnel and their personal effects and equipment whilst upon the Property.
 - 11.2 All warranties, conditions and other terms implied by statute or common law are to the fullest extent permitted by law excluded from these Terms and Conditions
 - 11.3 Subject to clauses 11.4, 11.5 and 11.6:
 - 11.3.1 Christie & Co's total liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of its obligations in accordance with these Terms and Conditions shall be limited to the lower of the highest value ascribed by Christie & Co to the Property that is the subject of the Valuation Report and the sum of £30,000,000;
 - 11.3.2 Christie & Co shall not be liable to the Client for any loss of profit, loss of business, depletion of goodwill or otherwise, in each case whether direct, indirect or consequential, or any claims for consequential economic loss or other consequential loss or compensation whatsoever (howsoever caused) which arise out of or in connection with these Terms and Conditions;
 - 11.4 Subject to clause 11.5 the liability of Christie & Co for any loss or damage will be limited so as to be in proportion to the contribution by Christie & Co to the overall fault for such loss or damage after taking account of any negligence of any other party responsible to the Client and the involvement of Christie & Co relative to that of the other parties responsible to the Client and any contributory negligence of the Client, as agreed between the parties, or failing agreement, as determined by the English Courts.
 - 11.5 Nothing in these conditions excludes or limits Christie & Co's liability for:
 - 11.5.1 death or personal injury caused by Christie & Co's negligence; or
 - 11.5.2 any matter which it would be illegal for Christie & Co to exclude or attempt to exclude its liability; or
 - 11.5.3 for fraud or fraudulent misrepresentation.
 - 11.6 Christie & Co shall not be liable to the Client or be deemed to be in breach of these Terms and Conditions by reason of any delay in performing, or any failure to perform, any of its obligations in relation to these Terms and Conditions if the delay or failure was due to any cause beyond Christie & Co's reasonable control;
 - 11.7 The Client accepts that the limitations of liability contained in this clause 11 are reasonable in all the circumstances.
12. ***Unless agreed differently and confirmed in the Instruction Letter Christie & Co's fees for the Valuation Report will be due on the following basis:-***
 - 12.0.1 On completion of Property inspection(s) – 33% of the total agreed fee
 - 12.0.2 Upon completion of a draft Valuation Report – 66% of the total agreed fee
 - 12.0.3 Upon issue of the Final Valuation Report – 100% of the total agreed fee

We reserve the right to produce an interim invoice in accordance with the above.



- 12.1 In the event Christie & Co is unable to complete the Valuation Report within 13 weeks from instruction, then we reserve the right to invoice an Abortive Fee on a pro-rotta basis taking into account clause 12.0
- 12.2 Disbursements and out of pocket expenses will be charged at cost. Mileage will be charged at the current AA recommended rate per mile.
- 12.3 Value Added Tax ("VAT") at the current rate is payable on all fees, disbursements and mileage charges.
- 12.4 All fees, disbursements, out of pocket expenses, mileage charges and VAT thereon (together "all fees") are to be paid within 14 days from the date of invoice, and if not so paid, interest shall be payable thereon at 4% above Barclays Bank Plc Base Rate from time to time, both before and after judgment.
- 12.5 The payment of all fees shall be the responsibility of the person signing the Instruction Letter, the partners of any firm and the directors of any company on whose behalf the Valuation Report has been commissioned, and all or any of them, jointly and severally, and the person signing overleaf hereby warrants that he/she has the appropriate authority to bind the partners or directors as aforesaid (as the case may be). No reliance may be placed upon Christie & Co's Valuation Report until all fees due to Christie & Co have been paid in full.
- 12.6 If the Valuation Report shall be required to be used for the purpose of any Court proceedings, the express prior written consent of Christie & Co will be required (which will not be unreasonably withheld subject to such additional fee as Christie & Co may reasonably charge, and subject to Christie & Co's rights of copyright being acknowledged by the parties to those proceedings). If Christie & Co shall be called upon to give evidence in such proceedings, an appropriate fee calculated on the current hourly charge-out rate of the surveyor concerned shall be paid as an additional fee together with all disbursements, out-of-pocket expenses, mileage charges, waiting time together with VAT on the foregoing.
- 12.7 Christie & Co's hourly charge out rates (excluding VAT) are as follows:

	Valuer	Associate Director	Director
London	£150-200	£250-300	£350-400
UK Regions	£100-150	£200-250	£250-300

The UK Managing Director's hourly charge out rate is £1,000 (excluding VAT).

- 13.** This Agreement shall be governed by English Law and any dispute arising therefrom shall be adjudicated upon only by the English Courts.



APPENDIX 3:

PORTFOLIO DEFINITIONS



There are a number of factors in deciding how the Properties might best be grouped in order to maximise interest and value.

Amongst other matters, we have taken into account the following:

- Strong purchaser demand from both trade buyers and private equity for freehold backed assets
- Most buyers would prefer to acquire either a wholly managed or wholly tenanted estates
- Managed house purchasers would bid aggressively for established and proven brands capable of further rollout
- Similarly, strong demand exists for 'soft' or non-branded managed pubs
- There is a strong demand from both regional and national purchasers for assets within London and the M25
- Recent transactions of tenanted portfolios demonstrate resilience and interest in this sector
- Portfolio lot sizes have had regard to the current funding market

Based on the above, we have segmented the managed Portfolio into the below sub four Portfolios. 37 of the Properties are currently being marketed for sale are contained within a separate portfolio combined with the tenanted assets being marketed for sale:

Portfolio	Number
One	
Hungry Horse	247
Pub Carveries	77
Total	324
Two	
Chef & Brewer	37
GK Pubs and Hotels	131
Total	168
Three	
LP London	138
Total	138
Four	
LP North	261
LP South	275
Total	404
Total	1,166

In deciding the appropriate Portfolio division for the tenanted estate, the key determination was to create two equally attractive Portfolios with a similar geographical spread, income/EBITDA and barrelage profile.

Across the Managed and Tenanted Portfolios there are 78 Properties within the Disposals Portfolio. These are Properties which are either on the market, under offer or have exchanged but not yet completed. Of the 78 Properties, 59 are on the market, 16 are under offer and three have exchanged.

APPENDIX II
RULE 29 LETTER FROM COLLIERS INTERNATIONAL

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16 September 2019

The Directors
Greene King plc
Westgate Brewery,
Bury St Edmunds,
Suffolk,
IP33 1QT

N.M Rothschild & Sons Ltd ("Rothschild & Co")
New Court
St Swithin's Lane
London
EC4N 8AL

Citigroup Global Markets Limited ("Citi")
Citigroup Centre
33 Canada Square
Canary Wharf
London, E14 5LB
United Kingdom

Dear Sirs,

VALUATION OF 757 FREEHOLD AND LEASEHOLD PUBLIC HOUSES WHICH COMPRISE PART OF THE UK WIDE PUB ESTATE OF GREENE KING PLC

1. INTRODUCTION AND SCOPE

In accordance with your instructions, set out in our letter of engagement dated 27 August 2019, Colliers International Property Advisers UK LLP (hereafter referred to as either "Colliers" or "we") understand that you require our opinion on the valuations of the 757 freehold and leasehold public houses (together the "Properties" and each a "Property") which form part of the UK wide pub estate owned by Spirit Pub Company ("Spirit"), a subsidiary of Greene King plc ("Greene King" or the "Company").

Colliers undertook the annual re-valuation of the Properties as at 30 April 2019 (the "Previous Valuation"), with the Previous Valuation being used for recording in financial statements and to meet the Addressees' obligations under the terms of the Issuer / Borrower Facility Agreement of the Debenture.

This report (the “Report”) has been prepared under the requirements of Rule 29 of the Takeover Code (the “Code”), and will be included in the scheme document to be published by the Company in connection with the proposed acquisition of the entire issued and to be issued share capital of the Company by CK Noble (the “Purpose”).

The Report is required in order to facilitate the directors of the Company in satisfying the requirements of Rule 29.5 of the Code. Accordingly, we have reviewed the Previous Valuation of the Properties to ascertain whether there has been a material change in value since the date of the Previous Valuation.

2. BASIS OF PREVIOUS VALUATION

The basis of the Previous Valuation is that of Market Value, which is defined in the RICS Valuation – Global Standards 2017 (the “Red Book”) as;

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Although not prepared for the purposes of Rule 29 of the Code, the Previous Valuation is compliant with Rule 29 of the Code.

3. THE PREVIOUS VALUATION

Sections 5 to 8 and section 10 below set out details below of the Previous Valuation as required in accordance with Rule 29 of the Code and references to the “Valuation” and facts and opinions are to the valuation carried out and the position as at 30 April 2019.

4. STATUS OF VALUER, VALUATION STANDARDS AND CONFLICTS OF INTEREST

The Previous Valuation was supervised by James Shorthouse BSc FRICS and Philip Macauley BSc (Hons) MRICS, both of whom are Directors of Colliers International, and who are valuers registered in accordance with the RICS Valuation Registration scheme.

Both James Shorthouse and Philip Macauley fall within the requirements as to competence as set out in PS3 of the RICS Valuation – Professional Standards January 2014 (the “Red Book”) issued by the Royal Institution of Chartered Surveyors.

Colliers has been undertaking annual revaluations of the Spirit Properties since 2012, and of the Greene King Properties since April 2019. We also provide advisory and transactional services to the Company in respect of its wider portfolio of public houses across the UK.

Revenues earned from the Company and associated companies constitute less than 1% of the 2018 UK revenues of Colliers, and in undertaking the Valuation Colliers acts as an External Valuer, qualified for the purposes of the Valuation.

5. THE PROPERTIES SUBJECT TO THE PREVIOUS VALUATION

The profile of the 782 Properties which comprised the Previous Valuation is as below:

Segment	Number of Properties
Managed	426
Tenanted	356
Total	782

Tenure	Number of Properties
Freehold	477
Leasehold	305
Total	782

The Properties are located across the UK and include town centre, suburban, community, village and rural pubs. Most of the Managed Properties operate under one of a number of brands owned by the Company, notably Farmhouse, Hungry Horse, Chef & Brewer or the unbranded Metropolitan group of town / city pubs.

The Tenanted Properties are all unbranded, and trade under a variety of formats. Most of the Tenanted Properties are let on agreements which contain a tie for the supply of some or all alcoholic drinks sold at the Property. The Company's revenues from the Tenanted Properties are derived from a combination of property rent, wholesale margin from the supply of tied drinks and a share of revenues from some AWP (gaming) machines. In some instances, the Tenanted Properties are let on agreements where the rent is in two parts; a base rent and a turnover top up.

6. ASSUMPTIONS AND SOURCES OF INFORMATION OF THE PREVIOUS VALUATION

The Previous Valuation was undertaken on the basis of a number of General and Special Assumptions and Definitions which are set out below and in the Appendix to this Report, and we confirm that similar Assumptions and Definitions would be adopted if we were undertaking valuations as at the date of this Report.

We have made the Special Assumption that there have been no material changes to any of the Properties since the date of the Previous Valuation, having made reasonable enquiries of the Company.

We have also assumed that the information provided by the Company is accurate and can, if necessary, be verified, and that we have been supplied with all the information that has a material effect upon the value of the Properties.

The Properties have been valued individually, having reference to their trading performance, location, legal and physical characteristics. For the Tenanted Properties we have also had regard to the Occupational Agreements which are, or could be, put in place. Most of these Occupational

Agreements include a tie for the supply of beers and other drinks.

The majority of the Managed Properties are operated under a specific brand or format. In undertaking the Valuations of the Managed Properties, we have assumed that a purchaser already has, or could establish, a comparable brand which would be capable of generating similar, or better, levels of sales and profitability.

For those Tenanted Properties which are currently vacant, closed or let on temporary agreements the Previous Valuations are based on the Special Assumption that the Properties will be let on substantive tied Occupational Agreements which, so far as is possible, are not at risk of losing the tie under MRO legislation. In undertaking the Previous Valuations of the Tenanted Properties, we have made the Special Assumption that the buyer of the Properties (individually or in multiple Property transactions) is able to leverage the tie and negotiate commercial terms with brewers and other suppliers which are at least equal to those enjoyed by the Company

7. TENURE OF PROPERTIES WHICH ARE THE SUBJECT OF THE PREVIOUS VALUATION

A total of 477 (61.0%) of the Properties are Freehold, whilst the 305 leaseholds 41 are classified as Long Leaseholds which is defined as those having an unexpired term of over 50 years.

The majority of the 264 Short Leaseholds are Sale & Leasebacks which are held on terms expiring in 2034 and 2044, whilst the remainder are third party commercial leases, generally at market rents.

A number of the short leaseholds are in fact long leases which are approaching the end of their terms, and in some cases the Company are in negotiation with the various landlords and have agreed, or expect to agree, new leases.

8. TAXATION AND COSTS IN RESPECT OF THE PREVIOUS VALUATION

Whilst we have regard to the general effects of taxation on market value, we do not take into account any liability for tax that may arise on a disposal, whether actual or notional, neither do we make any deduction for Capital Gains Tax, VAT or any other tax. We make no allowance for receipt or repayment of any grants or other funding.

As is the normal practice for the valuation of managed and tenanted public houses the Previous Valuation makes no allowance for costs of disposal, or purchaser's costs.

9. BREXIT

Following the referendum on the United Kingdom's continued membership of the European Union ("EU") held on 23 June 2016, there has been a three-year period of negotiation of the terms of the UK's exit from, and the future trade and other relationship with, the EU.

At the date of the Previous Valuation the UK would leave the EU on or before 31 October 2019, and the negotiations with the EU continue.

The UK has had a change of leadership, with Boris Johnson becoming Prime Minister on 24 July, and Mr Johnson’s approach to the negotiations appears to be different to that of his predecessor. During the period leading up to 31 October 2019 it is expected that markets will continue to demonstrate volatility.

10. VALUATION APPROACH

As part of the Previous Valuation a sample of 156 Properties (the “Sample Properties”) equating to 20% or thereabouts of the Portfolio were inspected by suitably qualified and experienced surveyors from Colliers Licensed & Leisure team, and for the remaining 626 Properties desktop reviews and appraisals were undertaken.

Our principal approach to the Previous Valuation of each Property has been to apply a year’s purchase multiplier our assessment of the maintainable level of EBITDA. Adopting this “Income Approach” has a long pedigree and is the approach most widely used by investors and operators and, consequently, valuers.

The choice of multiplier (derived from “all risks” yield) is based on market evidence from the sale of comparable businesses and properties.

In current market conditions this continues to be the approach which purchasers, and therefore valuers, would adopt if undertaking the valuations as at the date of this Report.

SUMMARY OF THE PREVIOUS VALUATION

Number of Properties	Aggregate Market Value
782	£1,000,352,500

11. CHANGES SINCE THE PREVIOUS VALUATION

As would be expected with a portfolio of this size there have, as part of the ongoing management of the Company’s wider business, been a number of changes to individual Properties between the date of the Previous Valuation and the date of this Report 25 Properties have been transferred to other Business Units within the Company or sold.

12. VALUATION OF THE PROPERTIES

In our opinion the aggregate of the Market Values of the freehold and leasehold interests in the residual 757 Properties (i.e. excluding the 25 properties as outlined in section 11) as fully equipped and operational public houses / restaurants, and subject to the existing or proposed Occupational Agreements where relevant, as at 30 April 2019 was:

£988,402,500

(Nine Hundred and Eighty-Eight Million, Four Hundred and Two Thousand, Five Hundred Pounds)

13. NO MATERIAL DIFFERENCE STATEMENT

Within a portfolio which encompasses hundreds of individual properties there are, inevitably, short term changes in trading performance, changes in lease agreements, or in operating formats, all of which can cause individual properties to experience fluctuations in value, some of which will be positive, whilst others will be negative.

We have reviewed the up to date trading data which the Company has supplied, and we noted that the aggregate trading performance of the Properties has not changed materially. We have also scrutinised recent market transactions and concluded that there has also been no material change in market sentiment or yields.

Having regard to the foregoing we conclude that there has been no material change in the Previous Valuation of the Properties which are still owned by the Company as at the date of this Report.

This statement is made in order to facilitate the directors of the Company in satisfying the requirements of Rule 29.5 of the Code, and on the basis of valuation set out above, and the assumptions and definitions set out within this Report.

14. RELIANCE ON THIS REPORT

This Report may only be relied upon by the Company and its shareholders, Rothschild & Co and Citi. No reliance may be placed on the Report, or any part of it, by any party for any purpose other than in connection with the stated Purpose.

15. LIABILITY AND PUBLICATION

For the avoidance of doubt, this Report is provided by Colliers International Property Advisers UK LLP and no partner, member or employee assumes any personal responsibility for it nor shall we owe a duty of care in respect of it.

It has been prepared for the benefit of the Addressees, and we accept no liability at all towards any third party.

Yours faithfully

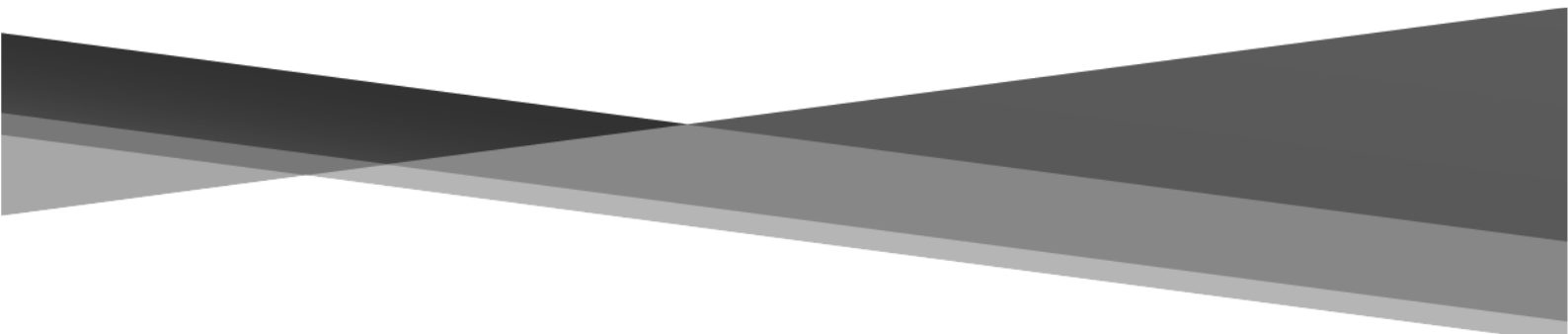


**James Shorthouse BSc FRICS
HEAD OF ALTERNATIVE MARKETS
LICENSED & LEISURE**



**Philip Macauley MRICS
DIRECTOR
LICENSED & LEISURE**

APPENDIX GENERAL ASSUMPTIONS AND DEFINITIONS



GENERAL ASSUMPTIONS AND DEFINITIONS

Unless otherwise instructed, our valuations are carried out in accordance with the following assumptions, conditions and definitions. These form an integral part of our appointment.

Our Report and Valuation is provided in accordance with the RICS Valuation – Global Standards 2017 (Incorporating the IVSC International Valuation Standards) prepared by the Royal Institution of Chartered Surveyors (the “Red Book”), and with any agreed instructions. Any opinions of value are valid only at the valuation date and may not be achievable in the event of a future disposal or default, when both market conditions and the sale circumstances may be different.

Within the Report and Valuation, we make assumptions in relation to facts, conditions or situations that form part of the valuation. We assume that all information provided by the addressee of the report, any borrower or third party (as appropriate) in respect of the property is complete and correct. We assume that details of all matters relevant to value, such as prospective lettings, rent reviews, legislation and planning decisions, have been made available to us, and that such information is up to date. In the event that any of these assumptions prove to be incorrect then we reserve the right to review our opinion(s) of value.

VALUATION DEFINITIONS:

Market Value is defined in IVS 104 paragraph 30.1 as:

‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’

The interpretative commentary on Market Value, within the International Valuation Standards (IVS), has been applied.

Valuations produced for capital gains tax, inheritance tax and Stamp Duty Land Tax / Land and Buildings Transaction Tax purposes will be based on the statutory definitions, which are written in similar terms and broadly define Market Value as:

‘The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price must not be assumed to be reduced on the grounds that the whole property is to be placed on the market at one and the same time.’

SPECIAL ASSUMPTIONS

Where we are instructed to undertake valuations subject to a Special Assumption, these usually require certain assumptions to be made about a potential alternative use or status of the property. This is a hypothetical scenario that we consider realistic, relevant and valid as at the valuation date, but which may not necessarily be deliverable at a future date.

INSURANCE

In arriving at our valuation we assume that the building is capable of being insured by reputable insurers at reasonable market rates. If, for any reason, insurance would be difficult to obtain or would be subject to an abnormally high premium, it may have an effect on costs.

PURCHASE AND SALE COSTS, SDLT, LBTT AND TAXATION

No allowance is made for legal fees or any other costs or expenses which would be incurred on the sale of the property. However, where appropriate, and in accordance with market practice for the asset type, we make deductions to reflect purchasers' acquisition costs. Trade-related properties are usually valued without deducting the costs of purchase. Where appropriate, purchasers' costs are calculated based on professional fees inclusive of VAT, together with the appropriate level of Stamp Duty Land Tax (SDLT) / Land and Buildings Transaction Tax (LBTT) / Land Transaction Tax (LTT).

Whilst we have regard to the general effects of taxation on market value, we do not take into account any liability for tax that may arise on a disposal, whether actual or notional, neither do we make any deduction for Capital Gains Tax, VAT or any other tax. We make no allowance for receipt or repayment of any grants or other funding.

PLANS, FLOOR AREAS AND MEASUREMENTS

We obtain floor areas in accordance with our instructions. This may comprise one or more of the following approaches (i) we measure the floor areas during the property inspection (ii) we calculate floor areas from plans provided to us, supported by check measurements on site where possible, (iii) we rely upon floor areas provided. Under approaches (ii) and (iii), we wholly rely upon the information provided, and assume that the areas have been calculated in accordance with market standards. We are unable to provide any warranties as to accuracy.

Measurement is in accordance with the current edition of RICS Property Measurement. If we are instructed not to adopt International Property Measurement Standards (IPMS), measurements are provided in accordance with the latest version of the Code of Measuring Practice. We adopt the appropriate floor area basis for our valuation analysis to reflect the analysis of floor areas in the comparable transactions. Where the basis of analysis of a comparable is uncertain, we adopt a default assumption for that asset type.

Although every reasonable care is taken to ensure the accuracy of the surveys there may be occasions when due to tenant's fittings, or due to restricted access, professional estimations are required. We recommend that where possible, we are provided with scaled floor plans in order to cross-reference the measurements. In the event that a specialist measuring exercise is undertaken for the property, we recommend that a copy is forwarded to us in order that we may comment on whether there may be an impact on the reported value.

Floor areas set out in our report are provided for the purpose described in the Report and Valuation and are not to be used or relied upon for any other purpose.

CONDITION, STRUCTURE AND SERVICES, HARMFUL / DELETERIOUS MATERIALS, HEALTH & SAFETY LEGISLATION AND EPCS

Our Report and Valuation takes account of the general condition of the property as observed from the valuation inspection, and is subject to access. Where we have noticed items of disrepair during the course of our inspections, they are reflected in our valuations, unless otherwise stated.

We do not undertake any form of technical, building or deleterious material survey and it is a condition of our appointment that we will in no way review, or give warranties as to, the condition of the structure, foundations, soil and services. Unless we are supplied with evidence to the contrary, we assume that the property is fully in compliance with building regulations and is fully insurable. We assume it is free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects. We assume that none of the materials commonly considered deleterious or harmful are included within the property, such as, inter alia, asbestos, high alumina

cement concrete, calcium chloride as a drying agent, wood wool slabs as permanent shuttering, aluminium composite cladding material, polystyrene and polyurethane cladding insulation.

In the event that asbestos is identified in a property, we do not carry out an asbestos inspection, nor are we able to pass comment on the adequacy of any asbestos registers or management plans. Where relevant, we assume that the property is being managed in full compliance with the Control of Asbestos Regulations 2012 and relevant HSE regulations, and that there is no requirement for immediate expenditure, nor any risk to health.

We do not test any services, drainage or service installations. We assume that all services, including gas, water, electricity and sewerage, are provided and are functioning satisfactorily.

We assume that the property has an economic life span similar to comparable properties in the market, subject to regular maintenance and repairs in accordance with appropriate asset management strategies.

We comment on the findings of Energy Performance Certificates (EPCs) and Display Energy Certificates (DECs) if they are made available to us, but may be unable to quantify any impact on value. If we are not provided with an EPC, we assume that if one was available, its rating would not have had a detrimental impact upon our opinion value or marketability.

Our valuations do not take account of any rights, obligations or liabilities, whether prospective or accrued, under the Defective Premises Act, 1972. Unless advised to the contrary, we assume that the properties comply with, and will continue to comply with, the current Health & Safety and Disability legislation.

We do not test any alarms or installations and assume that the property complies with, and will continue to comply with, fire regulations and the Smoke and Carbon Monoxide Alarm (England) Regulations 2015 legislation.

Where a specialist condition or structural survey is provided to us, we reflect the contents of the report in our valuation to the extent that we are able to as valuation surveyors, and our assumptions should be verified by the originating consultant. Should any issues subsequently be identified, we reserve the right to review our opinion of value.

GROUND CONDITIONS, ENVIRONMENTAL MATTERS, CONSTRAINTS AND FLOODING

We are not chartered environmental surveyors and we will not provide a formal environmental assessment. Our investigations are therefore limited to observations of fact, obtained from third party sources, such as local authorities, the Environment Agency and professional reports that may be commissioned for the valuation.

We do not carry out any soil, geological or other tests or surveys in order to ascertain the site conditions or other environmental conditions of the property. Unless stated to the contrary within the report, our valuation assumes that there are no unusual features that may be harmful to people or property, or that would inhibit the actual or assumed use or development of the property. This includes, inter alia: ground conditions and load bearing qualities, subterranean structures or services, contamination, pollutants, mining activity, sink holes, archaeological remains, radon gas, electromagnetic fields and power lines, invasive plants and protected species.

We do not undertake any investigations into flooding, other than is available from public sources or professional reports provided to us. Our findings are outlined in the report for information only, without reliance or warranty. We assume in our valuation that appropriate insurance is in place and may be renewed to any owner of the property by reputable insurers at reasonable market rates. If, for any reason, insurance would be difficult to obtain or would be subject to an abnormally high premium, it may have an effect on value.

Should our enquiries or any reports indicate the existence of environmental issues or other matters as described above, we expect them to contain appropriate actions and costings to address the issue. We rely on this information and use it as an assumption in our valuation. If such information is not available, we may not be able to provide an opinion of value.

We assume that the information and opinions we are given in order to prepare our valuation are complete and correct and that further investigations would not reveal more information sufficient to affect value. However, a purchaser in the market may undertake further investigations, and if these were unexpectedly to reveal issues, then this might reduce the values reported. We recommend that appropriately qualified and experienced specialists are instructed to review our report and revert to us if our assumptions are incorrect.

PLANT AND MACHINERY, FIXTURES AND FITTINGS

We disregard the value of all process related plant, machinery, fixtures and fittings, and those items which are in the nature of occupiers' trade fittings and equipment. We have regard to landlords' fixtures such as lifts, escalators, central heating and air conditioning forming an integral part of the buildings.

Where properties are valued as an operational entity and includes the fixtures and fittings, it is assumed that these are not subject to any hire purchase or lease agreements or any other claim on title.

No equipment or fixtures and fittings are tested in respect of Electrical Equipment Regulations and Gas Safety Regulations and we assume that where appropriate all such equipment meets the necessary legislation. Unless otherwise specifically mentioned the valuation excludes any value attributable to plant and machinery.

OPERATIONAL ENTITIES

Where the properties are valued as an operational entity and reference is made to the trading history or trading potential of the property, we place reliance on information supplied to us. Should this information subsequently prove to be inaccurate or unreliable, the valuations reported could be adversely affected. Our valuations do not make any allowance for goodwill.

TITLE, TENURE, OCCUPATIONAL AGREEMENTS AND COVENANTS

Unless otherwise stated, we do not inspect the Land Registry records, title deeds, leases or related legal documents and, unless otherwise disclosed to us, we assume good and marketable title that is free from onerous or restrictive covenants, rights of way and easements, and any other encumbrances or outgoing that may affect value. We disregard any mortgages (including regulated mortgages), debentures or other charges to which the property may be subject.

We assume that any ground rents, service charges other contributions are fair and proportionate, and are not subject to onerous increases or reviews.

Where we have not been supplied with leases, unless we have been advised to the contrary, we assume that all the leases are on a full repairing and insuring basis and that all rents are reviewed in an upwards direction only, at the intervals notified to us, to market rent. We assume that no questions of doubt arise as to the interpretation of the provisions within the leases giving effect to the rent reviews. We assume that wherever rent reviews or lease renewals are pending, all notices have been served validly within the appropriate time limits, and they will be settled according to the assumptions we set out within the reports.

Unless informed otherwise, we assume that all rents and other payments payable by virtue of the leases have been paid to date and there are no arrears of rent, service charge or other breaches in the obligations of occupation.

In the case of property that is let, our opinion of value is based on our assessment of the investment market's perception of the covenant strength of the occupier(s). This is arrived at in our capacity as valuation surveyors on the basis of information that is publicly available. We are not accountants or credit experts and we do not undertake a detailed investigation into the financial status of the tenants. Our valuations reflect the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their creditworthiness. We provide no warranties as to covenant strength and recommend that you make your own detailed enquiries if your conclusions differ from our own.

Where we are provided with a report on title and/or occupational agreement, we form our opinion of value reflecting our interpretation of that title. Your legal advisers should review our understanding of the title and confirm that this is correct.

PLANNING, LICENSING, RATING AND STATUTORY ENQUIRIES

We undertake online planning enquiries to the extent that we consider reasonable and appropriate to the valuation. We do not make formal verbal or written enquiries to local authorities. If a professional planning report is provided to us, we will take the findings into account in our valuation but will not be accountable for the advice provided within it, nor any errors of interpretation or fact within the third party report.

We assume that the property is constructed, used and occupied in full compliance with the relevant planning and building regulation approvals and that there are no outstanding notices, conditions, breaches, contraventions, non-compliance, appeals, challenges or judicial review. We assume that all consents, licenses and permissions are in place, that there are no outstanding works or conditions required by lessors or statutory, local or other competent authorities, and that no adverse planning conditions or restrictions apply. If we are instructed to value property on the Special Assumption of having the benefit of a defined planning permission or license, we assume that it will not be appealed or challenged at any point prior to, or following, implementation.

Our investigations are limited to identifying material planning applications on the property and observable constraints. We seek to identify any proposals in the immediate vicinity that may have an impact on the property, such as highway proposals, comprehensive development schemes and other planning matters.

We seek to obtain rateable values and council tax banding from the statutory databases, where available. The 2017 rating revaluation has resulted in some significant increases in rateable values. This may have an impact on the marketability and value of a property, and on vacancy rates or landlord non recoverable costs. However, unless there is evidence to the contrary, we will make the express assumption that any changes are affordable to occupiers, or will be subject to appropriate transitional relief. We do not reflect the impact of any rating appeals in our valuations unless they are formally concluded.

Given that statutory information is obtained from third party sources, we are unable to provide any warranty or reliance as to its accuracy. Your legal advisers should verify our assumptions and revert to us if required.

VALUATIONS ASSUMING DEVELOPMENT, REFURBISHMENT OR REPOSITIONING

Unless specifically instructed to the contrary, where we are provided with development costs and construction schedules by the addressee, a borrower or an independent quantity surveyor, we rely on this information as an assumption in arriving at our opinion of value. It forms an assumption within our valuation and we accept no liability if the actual costs or programme differ from those assumed at the valuation date.

We are not quantity surveyors and provide no reliance as to construction costs or timescale. Irrespective of the source of this information, a professional quantity surveyor should review our assumptions and revert to us if there are any issues of doubt, so that we may review our opinion of value.

We additionally assume that a hypothetical market purchaser will have the necessary resources, skills and experience to deliver the proposed development. It is not within our scope to assess the credentials of any actual purchaser, owner or developer of the property that is subject to our valuation. We accept no liability for any circumstances where a development or refurbishment does not achieve our concluded values.

If a property is in the course of development, our valuation assumes that the interest will be readily assignable to a market purchaser with all contractor and professional team warranties in place. Where an opinion of the completed development value is required, we assume that all works are completed in accordance with appropriate statutory and industry standards, and are institutionally acceptable.

RELIANCE

Our Report and Valuation is provided only for the addressee and for the identified purpose. It may not be disclosed to, or relied upon by any third party or for any other purpose. Real estate is a complex asset class and we assume that any addressee placing reliance on our Report and Valuation in a professional lending or investing capacity has sufficient expertise to fully review and understand its contents and the valuation conclusions reached. We strongly recommend that any queries are raised with us within a reasonable period of receiving our Report and Valuation and prior to committing any funds.

INTERPRETATION AND COMPREHENSION OF THE REPORT AND VALUATION

Real estate is a complex asset class that carries risk. Any addressee to whom we have permitted reliance on our Report and Valuation should have sufficient understanding to fully review and comprehend its contents and conclusions. We strongly recommend that any queries are raised with us within a reasonable period of receiving our Report and Valuation, so that we may satisfactorily address them.

