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in black type, or
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* insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

Note 120x12
109287

395

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

Pursuant to section 395 of the Companies Act 1985

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



For official use

Company number

2274812

Name of company

* PALMER & HARVEY McLANE (HOLDINGS) LIMITED (the "Company")

Date of creation of the charge

7 February 2002

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

FLOATING CHARGE dated 7 February 2002 between the Charging Companies and the Security
Agent (the "Deed").

Amount secured by the mortgage or charge

All money or liabilities due, owing or incurred to any Secured Party by any Charging
Company under the 'B' Documents at present or in the future, in any manner whether actual
or contingent, whether incurred solely or jointly with any other person and whether as
principal or surety, together with all interest accruing thereon and including all
liabilities in connection with any notes, bills or other instruments accepted by any
Secured Party for or at the request of an Obligor and all losses incurred by any Secured
Party in connection therewith except for any money or liability which, if it were so
included, would cause the infringement of section 151 of the Companies Act 1985 (the
"Indebtedness").

In this Form 395 terms have the meaning given to them on continuation sheet 1, page 2.

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

SOULFIRST LIMITED, P&H House, Davigdor Road, Hove, East Sussex, as security trustee for
itself and the other Secured Parties (the "Security Agent").

Postcode BN3 1RE

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

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
LONDON
EC2A 2HA

Ref: JXF/JXM/2547502

Time critical reference

For official Use
Mortgage Section

Post room



PMO
COMPANIES HOUSE

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1. CHARGING CLAUSE

1.1 Floating Charge

As security for the payment of the Indebtedness, the Company charged with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Secured Parties) by way of floating charge all its present and future assets.

1.2 Conversion of Floating Charge

Without prejudice to the position at law, the floating charge created by the Deed will automatically convert into a fixed charge on the first to occur of:-

- (a) the appointment of a liquidator to the Company; or
 - (b) the making of an order or the passing of a resolution for the winding-up or dissolution of the Company; or
 - (c) the appointment of a receiver of the whole or any part of the Charged Property; or
 - (d) an Enforcement Event.
- (continued on continuation sheet 1, page 4)

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Particulars as to commission allowance or discount (note 3)

Nil

Signed Munst Morris Crisp

Date 20.02.02

On behalf of [company] [mortgagee/chargee] †

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

† delete as appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF14 3UZ

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Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

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Please complete
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Company Number

2274812

Name of Company

PALMER & HARVEY McLANE (HOLDINGS)

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

In this Form 395:

"B Documents" means the 'B' Loan Note Instrument and the 'B' Put Option Deed;

"B Loan Note Instrument" means the loan note instrument dated 07 February 2002 made between P&H (2002) Limited, Palmer & Harvey McLane (Holdings) Limited and others, and Soulfirst Limited constituting the Notes;

"B Preference Shares" means the cumulative redeemable convertible 'B' preference shares of £0.00001 each in the capital of the P&H (2002) Limited;

"B Put Option Deed" means the put option deed dated 7 February 2002 made between Buildtrue Limited, Palmer & Harvey McLane (Holdings) Limited and others and Soulfirst Limited relating to the 'B' Preference Shares;

"Charging Companies" means:

P&H (2002) Limited (Company No. 4236932)
Palmer & Harvey (Holdings) plc (Company No. 4223921),
Palmer & Harvey McLane (Holdings) Limited (Company No. 2274812),
P&H (1925) Limited (Company No. 0207555),
P&H Snacksdirect Limited (Company No. 1852968),
Palmer & Harvey McLane Limited (Company No. 1874153),
Winerite Limited (Company No. 1072003),
Liquor Leaders Limited (Company No. 1134243),
YP Electronics Limited (Company No. 2272818),
P&H Direct Limited (Company No. 2068930),
P&H Retail Services Limited (Company No. 2920229), and
Buildtrue Limited (Company No. 4237586);

"Enforcement Event" means the exercise of any of the security constituted under the Senior Finance Documents by the Security Trustee;

"Master Agreement" means a master agreement dated 17 December 2001 between Firstvenus plc, Barclays Bank plc, Burdale Financial Limited and others;

"Noteholders" means a person whose name is entered in the Register (as more particularly defined in the 'B' Loan Note Instrument) as the holder of a Note;

"Notes" means up to £46,442,570 Variable and Fixed Rate Guaranteed Secured 'B' Loan Notes 2012 to be constituted by the 'B' Loan Note Instrument;

"Obligor" means means P&H (2002) Limited or a Guarantor (as more particularly defined in the 'B' Loan Note Instrument);

"Option Holders" means the registered holders from time to time of the Option Shares;

"Option Shares" means up to 46,442,570 'B' Preference Shares;

"Secured Parties" means the Option Holders and Noteholders;

"Senior Finance Documents" has the meaning given in the Master Agreement.

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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2. CONTINUING SECURITY

2.1 Continuing Security

The security is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Indebtedness or any other matter or thing.

2.2 Other Security

The security is to be in addition and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Security Agent and/or any other Secured Party may as at 7 February or thereafter hold for any of the Indebtedness, and the security may be enforced against the Company without first having recourse to any other rights of the Security Agent or any other Secured Party.

3. FURTHER ASSURANCE

The Company will, at its own expense, promptly following reasonable request by the Security Agent, execute such deeds and other agreements and otherwise take whatever action the Security Agent may reasonably require:

- (a) to perfect and/or protect the security created (or intended to be created) by the Deed;
- (b) to facilitate the realisation or enforcement of such security; and
- (c) to facilitate the exercise of any of the Security Agent's rights, powers or discretions under the Deed.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02274812

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A FLOATING CHARGE DATED THE 7th FEBRUARY 2002 AND CREATED BY PALMER & HARVEY MCLANE (HOLDINGS) LIMITED FOR SECURING ALL MONEY OR LIABILITIES DUE OR TO BECOME DUE FROM ANY CHARGING COMPANY TO SOULFIRST LIMITED AS SECURITY TRUSTEE FOR ITSELF AND THE OTHER SECURED PARTIES (AS DEFINED) (THE "SECURITY AGENT") ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 21st FEBRUARY 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 25th FEBRUARY 2002.

LC/lan



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES