

MG01

Particulars of a mortgage or charge



A fee is payable with this form.

We will not accept this form unless you send the correct fee
Please see 'How to pay' on the last page

☒ **What this form is for**
You may use this form to register
particulars of a mortgage or charge
in England and Wales or Northern
Ireland

☐ **What this form is NOT for**
You cannot use this form to
particulars of a charge for a
company To do this, please
form MG01s

FRIDAY



LD2 *LN3IVKY6* 75
18/06/2010
COMPANIES HOUSE

1 Company details

Company number 0 2 3 7 7 8 5 9
Company name in full Towers & Co (Southampton) Limited

For official use
→ **Filling in this form**
Please complete in typescript or in
bold black capitals
All fields are mandatory unless
specified or indicated by *

2 Date of creation of charge

Date of creation d0 d9 m0 m6 y2 y0 y1 y0

3 Description

Please give a description of the instrument (if any) creating or evidencing the
charge, e.g. 'Trust Deed', 'Debenture', 'Mortgage', or 'Legal charge'

Description Composite Guarantee and Debenture between (1) HSBC Invoice Finance (UK)
Limited and (2) Towers & Co, Limited and the other companies listed in
Schedule 1 thereto, dated 9 June 2010 (the **"Deed"**)

4 Amount secured

Please give us details of the amount secured by the mortgage or charge

Amount secured All present and future obligations and liabilities
(whether actual or contingent and whether owed
jointly or severally or alone or in any
other capacity whatsoever) of any Group Company to
the Secured Parties (or any of them) (including all
monies covenanted to be paid under any Finance
Document) (the **"Secured Obligations"**).

Continuation page
Please use a continuation page if
you need to enter more details

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5 Mortgagee(s) or person(s) entitled to the charge (if any)

Please give the name and address of the mortgagee(s) or person(s) entitled to the charge

Continuation page
Please use a continuation page if you need to enter more details

Name HSBC Invoice Finance (UK) Limited

Address Farncombe Road, Worthing

West Sussex

Postcode B N 1 1 2 B W

Name

Address

Postcode

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Continuation page
Please use a continuation page if you need to enter more details

Short particulars Please refer to the attached continuation sheet

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>1. GRANT OF SECURITY</p> <p>1.1 Nature of security</p> <p>All Security Interests and dispositions created or made by or pursuant to the Deed are created or made</p> <p>(a) in favour of the Security Trustee,</p> <p>(b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, and</p> <p>(c) as continuing security for payment of the Secured Obligations</p> <p>1.2 Qualifying floating charge</p> <p>Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to the Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986)</p> <p>2. FIXED SECURITY</p> <p>2.1 Fixed charges granted by the Obligor</p> <p>The Obligor charged and agreed to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by the Obligor, or in which it from time to time has an interest</p> <p>(a) by way of first legal mortgage all Real Property (if any) at the date of the Deed vested in, or charged to, the Obligor,</p> <p>(b) by way of first fixed charge</p> <p>(i) all Real Property and all interests in Real Property (not charged by clause 5.2(a) of the Deed and as referred to in clause 2.1(a) above)</p> <p>(ii) all licences to enter upon or use land and the benefit of all other agreements relating to land and</p> <p>(iii) the proceeds of sale of all Real Property.</p> <p>(c) by way of first fixed charge all P&M (not charged by clause 5.2(a) or 5.2(b) of the Deed and as referred to in clause 2.1(a) and 2.1(b) above) and the benefit of all contracts, licences and warranties relating to the same.</p> <p>(d) by way of first fixed charge</p> <p>(i) all computers, vehicles, office equipment and other equipment (not charged by clause 5.2(c) of the Deed, and as referred to in clause 2.1(c) above) and</p> <p>(ii) the benefit of all contracts, licences and warranties relating to the same, other than any which are for the time being Inventory.</p>	

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Short particulars	<p>(e) by way of first fixed charge all Intellectual Property owned by the Obligor,</p> <p>(f) by way of first fixed charge all Charged Securities not referred to in part 1 of schedule 2 (<i>Details of Security Assets</i>) of the Deed, if any,</p> <p>(g) by way of first fixed charge all Securities Rights relating to Charged Securities not referred to in part 1 of schedule 2 (<i>Details of Security Assets</i>) of the Deed,</p> <p>(h) to the extent that any Assigned Asset is not effectively assigned under clause 5 3 (<i>Security assignments</i>) of the Deed (and as referred to in clause 2 2 below), by way of first fixed charge, such Assigned Asset,</p> <p>(i) by way of first fixed charge (to the extent not otherwise charged or assigned in the Deed)</p> <p style="padding-left: 40px;">(i) the benefit of all licences, consents, agreements and authorisations held or used in connection with the business of the Obligor or the use of any of its assets, and</p> <p style="padding-left: 40px;">(ii) any letter of credit issued in favour of the Obligor and all bills of exchange and other negotiable instruments held by it, and</p> <p>(j) by way of first fixed charge all of the goodwill and uncalled capital of the Obligor</p> <p>2.2 Security assignments</p> <p>(a) The Obligor assigned and agreed to assign absolutely (subject to a proviso for reassignment on redemption) all its present and future right title and interest in and to</p> <p style="padding-left: 40px;">(i) the Insurances (save for the Credit Insurance Policy) all claims under the Insurances and all proceeds of the Insurances and</p> <p style="padding-left: 40px;">(ii) all Other Receivables</p> <p>(b) To the extent that any Assigned Asset described in clause 5 3(b)(i) of the Deed (and as referred to in clause 2 2(a)(i) above), is not assignable the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of the Obligor to any proceeds of the relevant insurance</p> <p>2.3 Assigned Assets</p> <p>The Security Trustee is not obliged to take any steps necessary to preserve any Assigned Asset or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to the Deed</p> <p>3. FLOATING CHARGE</p> <p>The Obligor charged and agreed to charge by way of first floating charge all of its present and future</p> <p>(a) assets and undertaking (wherever located) not otherwise effectively charged by way of first fixed mortgage or charge or assigned pursuant to clause 5 2 (<i>Fixed charges granted by the Obligors</i>) (as referred to in clause 2 1 above), clause 5 3 (<i>Security assignments</i>) (as referred to in clause 2 2 above) or any other provision of the Deed, and</p>	

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- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland

4. CONVERSION OF FLOATING CHARGE

4.1 Conversion by notice

The Security Trustee may, by written notice to the Obligor, convert the floating charge created under the Deed into a fixed charge as regards all or any of the assets of the Obligor specified in the notice if

- (a) a Termination Event has occurred, or
- (b) the Security Trustee (acting reasonably) considers any Security Assets (whether or not those specified in the notice) to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy

4.2 Small companies

The floating charge created under the Deed by the Obligor shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Obligor

4.3 Automatic conversion

The floating charge created under the Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge

- (a) in relation to any Security Asset which is subject to a floating charge if
- (i) the Obligor creates (or attempts or purports to create) any Security Interest (other than a Security Interest which is permitted by the Agreement for the Purchase of Debts) on or over the relevant Security Asset without the prior written consent of the Security Trustee or
- (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset and
- (b) over all Security Assets of the Obligor which are subject to a floating charge if an administrator is appointed in respect of the Obligor or the Security Trustee receives notice of intention to appoint such an administrator

4.4 Partial conversion

The giving of a notice by the Security Trustee pursuant to clause 7.1 (*Conversion by notice*) of the Deed (as referred to in clause 4.1 above) in relation to any class of assets of the Obligor shall not be construed as a waiver or abandonment of the rights of the Security Trustee to serve similar notices in respect of any other class of assets or of any other right of the Security Trustee

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Short particulars	<p>5. CONTINUING SECURITY</p> <p>5.1 Continuing security</p> <p>The Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. The Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.</p> <p>5.2 Additional and separate security</p> <p>The Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security Interest which any Secured Party may at any time hold for any Secured Obligation.</p> <p>5.3 Right to enforce</p> <p>The Deed may be enforced against the Obligor without the Secured Parties first having recourse to any other right, remedy, guarantee or Security Interest held by or available to it.</p> <p>6. LIABILITY OF THE OBLIGOR RELATING TO SECURITY ASSETS</p> <p>Notwithstanding anything contained in the Deed or implied to the contrary, the Obligor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Trustee is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.</p> <p>7. UNDERTAKINGS BY THE OBLIGOR</p> <p>7.1 Restrictions on dealing</p> <p>The Obligor shall not do or agree to do any of the following without the prior written consent of the Security Trustee:</p> <ul style="list-style-type: none"> (a) create or permit to subsist any Security Interest on any Security Asset except a Security Interest which is permitted by the Agreement for the Purchase of Debts, (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not) the whole or any part of its interest in any Security Asset except a disposal which is permitted by the Agreement for the Purchase of Debts and the sale at full market value of stock-in-trade in the usual course of trading as conducted by the Obligor at the date of the Deed. <p>7.2 Security Assets generally</p> <p>The Obligor shall</p> <ul style="list-style-type: none"> (a) permit the Security Trustee (or its designated representatives), on reasonable written notice: <ul style="list-style-type: none"> (i) access during normal office hours to the accounting records of the Obligor and to any documents and records relating to the Security Assets, and 	

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Short particulars	<p>(ii) to inspect, take extracts from, and make photocopies of, the same,</p> <p>and to provide (at the expense of the Obligor), such clerical and other assistance which the Security Trustee may reasonably require to do this,</p> <p>(b) save for those referred to in clause 12 2(b) of the Deed, notify the Security Trustee within 14 days of receipt of every material notice, order, application, requirement or proposal given or made in relation to the Security Assets by any competent authority,</p> <p>(c) if required by the Security Trustee, immediately provide it with a copy of any notice, order, application, requirement or proposal referred to in clause 12 2(c) of the Deed (as referred to in clause 7 2(b) above) and either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same as the Security Trustee may require or approve,</p> <p>(d) duly and punctually pay all rates, rents, Taxes and other outgoings owed by it in respect of the Security Assets,</p> <p>(e) comply in all material respects with all obligations in relation to the Security Assets under any present or future law, regulation, order or instrument or under any bye-laws, regulations or requirements of any competent authority or other approvals, licences or consents,</p> <p>(f) comply with all covenants and obligations affecting the Security Assets (or their manner of use),</p> <p>(g) not, except with the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligation affecting any Security Asset.</p> <p>(h) provide the Security Trustee with all information which it may reasonably request in relation to the Security Assets,</p> <p>(i) not do cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect)</p> <p>7.3 Charged Securities</p> <p>(a) The Obligor shall, immediately upon a request by the Security Trustee, by way of security for the Secured Obligations</p> <p>(i) deposit with the Security Trustee, or as the Security Trustee may direct, all certificates and other documents of title or evidence of ownership to all or any of the Charged Securities and their Securities Rights, and</p> <p>(ii) execute and deliver to the Security Trustee pre-stamped instruments of transfer in respect of all or any of the Charged Securities (executed in blank and left undated) and/or such other documents as the Security Trustee shall require to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to all or any of the Charged Securities and their Securities Rights (or to pass legal title to any purchaser)</p>	

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- (b) The Obligor shall immediately upon a request by the Security Trustee
- (i) give notice to any custodian of any agreement with the Obligor in respect of all or any of the Charged Securities and all present and future Securities Rights accruing to the Charged Securities, in a form the Security Trustee may require, and
 - (ii) use its reasonable endeavours to ensure that the custodian acknowledges that notice in a form the Security Trustee may require
- (c) Without prejudice to the rest of clause 12.3 of the Deed (as referred to in this clause 7.3), the Security Trustee may, at the expense of the Obligor, take whatever action is required for the dematerialisation or rematerialisation of all or any of the Charged Investments
- (d) The Obligor shall promptly pay all calls or other payments which may become due in respect of all or any of the Charged Investments
- (e) The Obligor shall not nominate another person to enjoy or exercise all or any specified rights of the Obligor in relation to its Charged Investments, as contemplated by section 145 of the Companies Act 2006 or otherwise
- 7.4 Rights in respect of Charged Securities and Securities Rights**
- (a) Until a Termination Event occurs, the Obligor shall be entitled to
- (i) receive and retain all dividends, distributions and other monies paid on or derived from its Charged Securities and
 - (ii) exercise all voting and other rights and powers attaching to its Charged Securities, provided that it must not do so in a manner which (A) has the effect of changing the terms of such Charged Securities (or any class of them) or of any Securities Rights or (B) is prejudicial to the interests of any Secured Party
- (b) At any time following the occurrence of a Termination Event which is continuing, the Security Trustee may complete the instrument(s) of transfer for all or any Charged Securities on behalf of the Obligor in favour of itself or such other person as it may select
- (c) At any time when any Charged Securities are registered in the name of the Security Trustee or its nominee, the Security Trustee shall be under no duty to
- (i) ensure that any dividends, distributions or other monies payable in respect of such Charged Securities are duly and promptly paid or received by it or its nominee, or
 - (ii) verify that the correct amounts are paid or received, or
 - (iii) take any action in connection with the taking up of any (or any offer of any) Securities Rights in respect of or in substitution for any such Charged Securities

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Short particulars	<p>8. POWER TO REMEDY</p> <p>8.1 Power to remedy</p> <p>If at any time the Obligor does not comply with any of its obligations under the Deed, the Security Trustee (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The Obligor irrevocably authorises the Security Trustee and its employees and agents by way of security to do all things (including entering the property of the Obligor) which are necessary or desirable to rectify that default.</p> <p>8.2 Mortgagee in possession</p> <p>The exercise of the powers of the Security Trustee under clause 13 of the Deed (as referred to in this clause 8) shall not render it liable as a mortgagee in possession.</p> <p>8.3 Monies expended</p> <p>The Obligor shall pay to the Security Trustee on demand any monies which are expended by the Security Trustee in exercising its powers under clause 13 of the Deed (as referred to in this clause 8), together with interest at the Default Rate from the date on which those monies were expended by the Security Trustee (both before and after judgment) and otherwise in accordance with clause 3.2 (<i>Default interest</i>) of the Deed.</p> <p>9 ENFORCEMENT OF SECURITY</p> <p>9.1 General</p> <p>For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of the Deed. Sections 93 and 103 of the Act shall not apply to the Security. The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with section 99 or 100 of the Act.</p> <p>9.2 Powers of the Security Trustee</p> <p>(a) At any time after the Security becomes enforceable (or if so requested by the Obligor by written notice at any time), the Security Trustee may without further notice (unless required by law)</p> <ul style="list-style-type: none"> (i) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets, and/or (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Obligor, and/or (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by the Deed) and/or all or any of the powers which are conferred by the Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver, and/or 	

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Short particulars	<p data-bbox="339 360 1058 394">Please give the short particulars of the property mortgaged or charged</p> <p data-bbox="435 499 1522 584">(iv) exercise (in the name of the Obligor and without any further consent or authority of the Obligor) any voting rights and any powers or rights which may be exercised by the person(s) in whose name the Charged Investments are registered or who is the holder of any of them</p> <p data-bbox="339 618 1522 730">(b) the Security Trustee is not entitled to appoint a Receiver in respect of any Security Assets of the Obligor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Obligor</p> <p data-bbox="339 763 798 792">9.3 Redemption of prior mortgages</p> <p data-bbox="435 824 1286 853">At any time after the Security has become enforceable, the Security Trustee may</p> <p data-bbox="339 884 1166 913">(a) redeem any prior Security Interest against any Security Asset, and/or</p> <p data-bbox="339 945 1067 974">(b) procure the transfer of that Security Interest to itself, and/or</p> <p data-bbox="339 1005 1522 1066">(c) settle and pass the accounts of the holder of any prior Security Interest and any accounts so settled and passed shall be conclusive and binding on the Obligor</p> <p data-bbox="435 1097 1522 1158">All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Obligor to the Security Trustee on demand</p> <p data-bbox="339 1189 549 1218">9.4 Privileges</p> <p data-bbox="339 1249 1522 1335">(a) Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act except that section 103 of the Act does not apply</p> <p data-bbox="339 1366 1522 1538">(b) To the extent that the Security Assets constitute "<i>financial collateral</i>" and the Deed and the obligations of the Obligor under the Deed constitute a "<i>security financial collateral arrangement</i>" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003 No 3226)) each Receiver and the Security Trustee shall have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations</p> <p data-bbox="339 1570 1522 1682">(c) For the purpose of clause 15 4(b) of the Deed (as referred to in clause 9 4(b) above), the value of the financial collateral appropriated shall be such amount as the Receiver or the Security Trustee reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it</p> <p data-bbox="339 1713 564 1742">9.5 No liability</p> <p data-bbox="339 1774 1522 1886">(a) Neither the Security Trustee nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct)</p> <p data-bbox="339 1917 1522 2051">(b) Without prejudice to the generality of clause 15 5(a) of the Deed (as referred to in clause 9 5(a) above), neither the Security Trustee nor any Receiver shall be liable by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable</p>

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10. RECEIVER

10.1 Removal and replacement

The Security Trustee may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated

10.2 Multiple Receivers

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have the power to act individually (unless otherwise stated in the appointment document)

10.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Trustee (or failing such agreement, to be fixed by the Security Trustee)

10.4 Payment by Receiver

Only monies actually paid by a Receiver to the Security Trustee in relation to the Secured Obligations shall be capable of being applied by the Security Trustee in discharge of the Secured Obligations

10.5 Agent of the Obligor

Any Receiver shall be the agent of the Obligor. The Obligor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. The Security Trustee shall incur no liability (either to the Obligor or to any other person) by reason of the appointment of a Receiver or for any other reason

11. POWERS OF RECEIVER

11.1 General powers

Any Receiver shall have

- (a) all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act,
- (b) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986 and
- (c) all powers which are conferred by any other law conferring power on receivers

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Short particulars	<p>11.2 Additional powers</p> <p>In addition to the powers referred to in clause 17.1 (<i>General powers</i>) of the Deed (as referred to in clause 11.1 above), a Receiver shall have the following powers</p> <ul style="list-style-type: none"> (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed, (b) to manage the Security Assets and the business of the Obligor as he thinks fit, (c) to redeem any security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise, (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act. Fixtures may be severed and sold separately from the Real Property containing them, without the consent of the Obligor. The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party). Any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit, (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Obligor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land), (f) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying transferring assigning or leasing the same in the name of the Obligor and for that purpose, to enter into covenants and other contractual obligations in the name of and so as to bind, the Obligor, (g) to take any such proceedings (in the name of any of the Obligor or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment), (h) to enter into or make any such agreement, arrangement or compromise as he shall think fit, (i) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Security Trustee shall direct), (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm), (k) to form one or more Subsidiaries of the Obligor and to transfer to any such Subsidiary all or any part of the Security Assets, (l) to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease, and 	

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- (m) to
- (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset,
 - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets, and
 - (iii) use the name of the Obligor for any of the above purposes

12. SET-OFF

12.1 Set-off

- (a) Each Secured Party may (but shall not be obliged to) set off any obligation (present, future, actual, contingent, liquidated, unliquidated or unascertained), which is due and payable by any obligor to a Secured Party (whether arising under the Finance Documents or otherwise) or which has been assigned to a Secured Party by any other obligor and unpaid, against any obligation (whether or not matured) owed by a Secured Party to an obligor, regardless of the place of payment, booking branch or currency of either obligation
- (b) If the obligations are in different currencies, a Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set off
- (c) If either obligation is unliquidated or unascertained, a Secured Party may set off in an amount estimated by it in good faith to be the amount of that obligation

12.2 Time deposits

Without prejudice to clause 19.1 (*Set-off*) of the Deed (as referred to in clause 12.1 above) if any time deposit matures on any account which the Obligor has with a Secured Party at a time within the Security Period when

- (a) this Security has become enforceable and
- (b) no Secured Obligation is due and payable,

such time deposit shall automatically be renewed for such further maturity as such Secured Party in its absolute discretion considers appropriate unless such Secured Party otherwise agrees in writing

13. FURTHER ASSURANCES

13.1 Further action

The Obligor shall, at its own expense promptly take whatever action the Security Trustee or a Receiver may require for

- (a) creating perfecting or protecting the Security Interests intended to be created by the Deed, and

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Particulars of a mortgage or charge

6

Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

- (b) facilitating the realisation of any Security Asset or the exercise of any right, power or discretion exercisable by each Secured Party or any Receiver or any of its or his delegates or sub-delegates in respect of any Security Asset,

including the execution of any transfer, conveyance, assignment or assurance of any property whether to the Security Trustee or to its nominees, the giving of any notice, order or direction and the making of any registration, which, in any such case, the Security Trustee may think expedient

13.2 Specific security

Without prejudice to the generality of clause 21 1 (*Further action*) of the Deed (as referred to in clause 13 1 above), the Obligor shall forthwith at the request of the Security Trustee execute a legal mortgage, charge, assignment, assignation or other security over any Security Asset which is subject to or intended to be subject to any fixed security created by the Deed in favour of the Security Trustee (including any arising or intended to arise pursuant to clause 7 (*Conversion of floating charge*) of the Deed) (as referred to in clause 4 above) in such form as the Security Trustee may require

14. POWER OF ATTORNEY

The Obligor, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any of its or his delegates or sub-delegates to be its attorney to take any action which the Obligor is obliged to take under the Deed, including under clause 21 (*Further assurances*) of the Deed (as referred to in clause 13 above) The Obligor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under clause 22 of the Deed

SCHEDULE 2 (DETAILS OF SECURITY ASSETS) OF THE DEED

Part 1: Charged Securities

Name of company in which shares are held	Class of shares held	Number of shares held	Issued share capital
Towers & Co , Limited	Ordinary	13548673	£13,548 673
Towers Thompson Holdings Limited	Ordinary	1395000	£139 500
British & Overseas Meats Limited	Ordinary	100	£100
House of Hermanns (Growers) Limited	Cumulative Convertible	123	£123
	Voting Non Participating	1287	£1,287

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

Kenton Packing Station Limited	Ordinary	89998	£89,998
New Zealand Premier Lamb Importers Ltd	Ordinary	100	£100
New Zealand Premier Meat Co Limited	Ordinary	100	£100
Premonit Limited	Deferred Ordinary	118,200	£118,200
	Ordinary	25	£25
Pyke Biggs Fairfax (Brighton) Limited	Ordinary	20000	£20,000
Rowlands (Food Providers) Limited	Ordinary	37457	£37,457
Superior Foods (Mexborough) Limited	Ordinary	60000	£60,000
Stock Breeders Meat Company, Limited (The)	Ordinary	200000	£200,000
The Stockbreeders Meat Company (Avonmouth) Limited	Ordinary	100	£100
The Stockbreeders Meat Company (Bishops Stortford) Limited	Ordinary	100	£100
The Stockbreeders Meat Company (Brighton) Limited	Ordinary	100	£100
The Stockbreeders Meat Company (Cardiff) Limited	Ordinary	100	£100
The Stockbreeders Meat Company (Dunton Green) Limited	Ordinary	100	£100
The Stockbreeders Meat Company (Kingston) Limited	Ordinary	100	£100

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

The Stockbreeders Meat Company (Leicester) Limited	Ordinary	100	£100
The Stockbreeders Meat Company (Liverpool) Limited	Ordinary	100	£100
The Stockbreeders Meat Company (Manchester) Limited	Ordinary	100	£100
The Stockbreeders Meat Company (Portsmouth) Limited	Ordinary	100	£100
The Stockbreeders Meat Company (Sheffield) Limited	Ordinary	100	£100
The Stockbreeders Meat Company (Southampton) Limited	Ordinary	100	£100
The Stockbreeders Meat Company (Wolverhampton) Limited	Ordinary	100	£100
Towers & Co (Avonmouth) Limited	Ordinary	100	£100
Towers & Co (Cardiff) Limited	Ordinary	100	£100
Towers & Co (Dunton Green) Limited	Ordinary	100	£100
Towers & Co (Kingston) Limited	Ordinary	100	£100
Towers & Co (Leicester) Limited	Ordinary	100	£100
Towers & Co (Liverpool) Limited	Ordinary	100	£100
Towers & Co (Manchester) Limited	Ordinary	100	£100
Towers & Co (Portsmouth) Limited	Ordinary	100	£100

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Particulars of a mortgage or charge

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Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

Towers & Co (Services) Limited	Ordinary	100	£100
Towers & Co (Sheffield) Limited	Ordinary	100	£100
Towers & Co (Southampton) Limited	Ordinary	100	£100
Towers & Co (Wolverhampton)Ltd	Ordinary	100	£100
Towers Barron Limited	Ordinary	100	£100
Towers Meats Limited	Ordinary	100	£100
Towers Thompson Seafood Limited (previously known as FMC (Calne) Limited)	Ordinary	100	£100
Towers Thompson Ltd	Ordinary	2	£2
Towers & Co (Brighton) Limited	Ordinary	100	£100
Towers & Co (Bishops Stortford) Limited	Ordinary	100	£100
Heronspin Limited	Ordinary	100	£100
Premorse Limited	Ordinary	100	£100
AS Juniper & Co Limited	Ordinary	100	£100
B Thompson Ltd	Ordinary	65000000	£6,500,000
John Silver Holdings Limited	Ordinary	539534	£539 534
Swan Foods International Limited	Ordinary	5000	£5 000
Danegoods (London) Limited	Ordinary	5000	£5 000
Anderson Richards & Co Limited	Ordinary	9020	£9 020

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

Belvedere Foods Limited	Ordinary	100	£100
Brooke Bros (Smithfield) Ltd	Ordinary	100	£100
C R Barron Limited	Ordinary	500000	£500,000
Cheshire Meat Company (Trafford Park) Limited	1% Non Cumulative Preference	3999	£3,999
	Ordinary	1	£1
Eastwood Thompson (Belvedere) Limited	Ordinary	1000	£100
James Linde Limited	Ordinary	10000	£10,000

Part 2: Credit Insurance Policy

Insurer	Insured risks	Policy number
Atradius	Non payment of Insured Receivables	594943

DEFINITIONS

"Act" means the Law of Property Act 1925,

"Agreement for the Purchase of Debts" means the agreement for the purchase of debts dated on or around the date of the Deed and made between (1) the Company and (2) HIF pursuant to which HIF agreed to make certain facilities available to the Company

"Assigned Assets" means the Security Assets expressed to be assigned pursuant to clause 5.3 (Security assignments) of the Deed

"Associated Rights" means all rights relating to a Debt or Contract of Sale including (a) the Company's rights as an unpaid seller (b) title to Returned Goods (c) the benefit of insurances (d) all Remittances, Security Interests, bonds, guarantees and indemnities (e) accounting records (f) any Debt Records and (g) interest,

"Bank" means HSBC Bank plc (company number 00014259),

"Base Rate" means for sterling, HSBC Bank Plc's base rate and for each other Prepayment Currency the rate quoted to HIF, from time to time, by HSBC Bank Plc,

"Charged Investments" means the Charged Securities and all present and future Securities Rights accruing to all or any of the Charged Securities

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged
	Please give the short particulars of the property mortgaged or charged
Short particulars	<p>"Charged Securities" means</p> <ul style="list-style-type: none"> (a) the securities, if any, specified in part 1 of schedule 2 (<i>Details of Security Assets</i>) of the Deed, and (b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "<i>investments</i>" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of the Deed) now or in future owned (legally or beneficially) by the Obligor, held by a nominee on its behalf or in which the Obligor has an interest at any time, <p>"Collection Account" means any bank account to which HIF agrees the proceeds of Debts may be paid,</p> <p>"Company" means Towers & Co , Limited</p> <p>"Contract of Sale" means a contract between the Company and another person for the hiring or supply of goods or the provision of services,</p> <p>"Credit Insurance Policy" means the credit insurance policy the details of which are specified in part 2 of schedule 2 (<i>Details of Security Assets</i>) of the Deed and all cover notes relating to that policy and any other policy of insurance which may replace that policy of insurance,</p> <p>"Customer" means a person carrying on business to whom goods or services are or may be supplied under a Contract of Sale,</p> <p>"Debt" means any monetary claim or other obligation (including any tax duty or interest) present, future or contingent, of any Customer under a Contract of Sale and all Associated Rights other than an Excluded Debt</p> <p>"Debt Records" means any purchase order, invoice, sales acknowledgement, delivery note, completion certificate, books, accounts, computer and other records any correspondence and any other documents relating to Debts that HIF may designate a Debt Record,</p> <p>"Default Rate" means two per cent above the aggregate of the Discounting Margin and Base Rate then applicable</p> <p>"Dilutions" means (a) the value of any credit note or debit note issued to or by Customers (b) the amount of any other deduction, discount or allowance taken or claimed by Customers, and (c) the value of all claims from or defences by Customers which have arisen or may arise,</p> <p>"Discounting Margin" means 1 50 per cent ,</p> <p>"Excluded Country" means the list of Excluded Countries specified by the legal agreements, IIF website and/or client manager,</p> <p>"Excluded Debt" means any monetary claim or other obligation of any Customer whose registered office is located in an Excluded Country,</p> <p>"Excluded Proceeds" means all and any monies paid to a Collection Account which are not the proceeds of Debts,</p> <p>"Finance Document" means the Agreement for the Purchase of Debts the Security Documents and any other agreement or ancillary documentation entered into between the Company and HIF,</p>

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged
	Please give the short particulars of the property mortgaged or charged
Short particulars	<p> "Group Company" means any of the companies listed in Schedule 1 (<i>The Original Obligors</i>) to the Deed and any other Subsidiary of Towers Thompson Holding Limited, </p> <p> "Guarantee" means the guarantee and indemnity contained in clause 2 (<i>Guarantee and indemnity</i>) of the Deed as extended by schedule 3 (<i>The Guarantee</i>) of the Deed, </p> <p> "HIF" means HSBC Invoice Finance (UK) Limited, </p> <p> "ILF" means Internet Invoice Finance or any other internet platform through which HIF and the Company exchange information relating to the services provided under the Agreement for the Purchase of Debts, </p> <p> "Insurances" means all policies of insurance (and all cover notes) which are at any time held by, or written in favour of, the Obligor or in which the Obligor from time to time has an interest (including, without limitation, the Credit Insurance Policy), </p> <p> "Notification", "Notified" and "Notify" mean the method by which the Company advises HIF of the creation of Debts and Dilutions, being in the form and by the method as HIF may from time to time require, </p> <p> "Obligor" means the company listed at part 1 of this Form, </p> <p> "Original Property" means the freehold property known as land and buildings on the South side of Cliff Street, Mexborough registered at HM Land Registry with title number SYK262196, </p> <p> "Other Receivables" means, save for Debts and Excluded Proceeds, all present and future book debts and other debts rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, the Obligor (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with </p> <ul style="list-style-type: none"> (a) the benefit of all rights guarantees, Security Interests and remedies relating to any of the foregoing (including without limitation, negotiable instruments indemnities, reservations of property rights rights of tracing and unpaid vendor's liens and similar associated rights), and (b) all proceeds of any of the foregoing, <p> "Prepayment Currencies" means Sterling Euro US Dollar and Danish Krone, </p> <p> "P&M" means all, plant, machinery and other capital equipment (excluding inventory) owned by the Obligor from time to time wherever located and all spare parts, replacements modifications for or to the same and any manuals, logbooks or registration documents relating thereto, </p> <p> "Real Property" means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to the Obligor, or in which the Obligor has an interest at any time, including the Original Property, together with </p> <ul style="list-style-type: none"> (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery and other capital equipment at any time thereon, (b) all easements, rights and agreements in respect thereof, and (c) the benefit of all covenants given in respect thereof

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Particulars of a mortgage or charge

6

Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

"Receiver" means any receiver, receiver and manager or administrative receiver appointed by the Security Trustee under the Deed,

"Remittance" means cash, cheques, bills of exchange, negotiable and non-negotiable instruments, letters of credit, orders, drafts, promissory notes, electronic payments and any other form of payment received by HIF, the Company or the Company's agents in payment of a Debt, including monies recovered under any credit insurance policy, a refund of the VAT element of the Debt or a dividend payable in respect of the Debt,

"Returned Goods" means goods which relate to an outstanding Notified Debt and which have been returned to the Company's possession,

"Secured Parties" means the Security Trustee, HIF and the Bank,

"Securities Rights" means, in relation to any Charged Security

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of this definition,
- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

"Security" means the Security Interests created by or pursuant to the Deed,

"Security Assets" means all property and assets from time to time mortgaged charged or assigned (or expressed to be mortgaged charged or assigned) by or pursuant to the Deed

"Security Documents" means any Guarantee or Security Interest in favour of HIF,

"Security Interest" means any mortgage, charge, trust, option, security assignment, assignation in security, pledge, hypothecation lien retention of title, set-off right, tracing right or any other security interest in favour of any person

"Security Period" means the period beginning on the date of the Deed and ending on the date on which

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full, and
- (b) no Secured Party has any further commitment obligation or liability to the Obligor (whether arising under or pursuant to the Finance Documents or otherwise),

"Security Trustee" means HSBC Invoice Finance (UK) Limited,

"Subsidiary" of a company or corporation means any company or corporation

- (a) which is controlled directly or indirectly by the first-mentioned company or corporation
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation, or
- (c) which is a subsidiary of another subsidiary of the first mentioned company or corporation

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body,</p> <p>"Taxes" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same),</p> <p>"Termination Event" means any event listed as a Termination Event in Condition 18 (<i>Termination Events</i>) of the Conditions forming part of the Agreement for the Purchase of Debts, and</p> <p>"VAT" means Value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature</p>	

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Particulars of a mortgage or charge

7 Particulars as to commission, allowance or discount (if any)

Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his

- subscribing or agreeing to subscribe, whether absolutely or conditionally, or
- procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered

Commission allowance or discount

Nil

8 Delivery of instrument

You must deliver the original instrument (if any) creating or evidencing the charge and these prescribed particulars to the Registrar of Companies within 21 days after the date of creation of the charge (section 860). If the property is situated and the charge was created outside the United Kingdom (UK), you must deliver the information to the Registrar within 21 days after the date on which the instrument could have been received in the UK in the normal course of post and assuming you had posted it promptly (section 866).

We will accept a verified copy of the instrument creating the charge where the property charged is situated and the charge was created outside the UK (section 870). The company or the person who has delivered the copy to the Registrar must verify it to be a correct copy and sign it. Where a body corporate gives the verification, an officer of that body must sign it. We will also accept a verified copy where section 867(2) applies (property situated in another part of UK).

9 Signature

Please sign the form here

Signature

Signature

X DLA Rper UK LLP X

This form must be signed by a person with an interest in the registration of the charge

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Particulars of a mortgage or charge



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form and will establish where we return the original documents. The contact information you give will be visible to searchers of the public record.

Contact name Thomas Stansfield

Company name DLA Piper UK LLP

Address 3 Noble Street

Post town London

County/Region

Postcode E C 2 V 7 E E

Country

DX DX: 33866 Finsbury Square

Telephone 08700 111 111



Certificate

We will send your certificate to the presenter's address if given above or to the Company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included the original deed with this form
- ☐ You have entered the date the charge was created
- ☐ You have supplied the description of the instrument
- ☐ You have given details of the amount secured by the mortgagee or chargee
- ☐ You have given details of the mortgagee(s) or person(s) entitled to the charge
- ☐ You have entered the short particulars of all the property mortgaged or charged
- ☐ You have signed the form
- ☐ You have enclosed the correct fee.



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge.

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



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

Pursuant to section 869(5) & (6) of the Companies Act 2006

**COMPANY NO. 2377859
CHARGE NO. 1**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND
DEBENTURES DATED 9 JUNE 2010 AND CREATED BY TOWERS
& CO. (SOUTHAMPTON) LIMITED FOR SECURING ALL MONIES
DUE OR TO BECOME DUE FROM ANY GROUP COMPANY TO
THE SECURED PARTIES (OR ANY OF THEM) ON ANY
ACCOUNT WHATSOEVER UNDER THE TERMS OF THE
AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING
THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1
PART 25 OF THE COMPANIES ACT 2006 ON THE 18 JUNE 2010

GIVEN AT COMPANIES HOUSE, CARDIFF THE 22 JUNE 2010



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES