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in black type, or
bold block lettering**

Company number

— — — — —

0930757

Name of company

* Arnold Waste Disposal Limited

Note
Please read the notes
on page 3 before
completing this form.

* insert full name
of company

Ø insert name(s) and address(es) of all the directors

X_{Wes} Quentin Richard Stewart of The Lodge, 106 Aberdeen Park, Islington, London N5 2BA and Phillip Wesley Burns of Flat 15, 12 Bouchier Street, London W1D 4HZ

† delete as appropriate

~~XXXXXXXXXXXX~~ [the sole director] all the directors of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

[illegible][illegible]

insurance business of the United Kingdom

(c) something other than the above§

The company is proposing to give financial assistance in connection with the acquisition of shares in the

~~XXXXXX~~ [company's holding company] WASTE RECYCLING GROUP

LimitedIt

The assistance is for the purpose of ~~that acquisition~~ [reducing or discharging a liability incurred for the purpose of that acquisition].†

The number and class of the shares acquired or to be acquired is: 117,848,603 ordinary shares
of 25p each

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

Slaughter and May (Ref:PCS/PAYS)
One Bunhill Row
London
EC1Y 8YY

arnold_waste 0930757 |

For official Use
General Section

Dost room



LD3
COMPANIES HOUSE

0018
10/09/08

The assistance is to be given to: (note 2) CHOLET ACQUISITIONS LIMITED
(REGISTERED OFFICE IS: CARMELITE, 50 VICTORIA EMBANKMENT, LONDON EC4Y 0DX)

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The assistance will take the form of:

See Schedule 1 attached.

The person who [has acquired] ~~will acquire~~ the shares is:

† delete as
appropriate

CHOLET ACQUISITIONS LIMITED

The principal terms on which the assistance will be given are:

See Schedule 2 attached.

The amount of cash to be transferred to the person assisted is £ Nil

The value of any asset to be transferred to the person assisted is £ Nil

The date on which the assistance is to be given is 5 September, 2003

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* delete either (a) or
(b) as appropriate

☒ We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ☒ We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

(b) ~~It is intended to commence the winding up of the company within 12 months of that date, and ☒ we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.]~~* (note 3)

And ☒ we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at the offices of Slaughter and May,
One Bunhill Row, London EC1Y 8YY

Declarants to sign below

Day Month Year
on 05 09 2003

before me *[Signature]* (Solicitor)

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.

- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

Schedule 1

Entry by the Company into the following documents (the "Documents"):

1. a Second Accession Agreement on or about the date hereof to a Credit Facilities Agreement dated 9th June, 2003 (as amended) (the "Facilities Agreement") between Cholet Acquisitions Limited (the "Parent"), Cholet Investments Limited, Barclays Bank PLC and others pursuant to which senior facilities in a maximum aggregate principal amount of £530,000,000 were made available to the Parent and certain of its subsidiaries to be used by the Parent partly in discharging, directly or indirectly, the purchase price payable for the acquisition of the shares in Waste Recycling Group Limited, partly in discharging, directly or indirectly, existing indebtedness of the Parent and its subsidiaries, partly in discharging, directly or indirectly, transaction costs and partly towards general corporate purposes of the Parent and its subsidiaries (the "Accession Agreement");
2. a debenture (the "Debenture") (to be entered into or on about the date hereof) under which the Company will grant security in favour of Barclays Bank PLC as Security Agent (as defined in the Facilities Agreement) in respect of all present and future obligations and other liabilities of any nature of each Obligor (as defined in the Facilities Agreement) due, owing or incurred under the Finance Documents (as defined in the Facilities Agreement);
3. an Intercompany Loan Agreement to be entered into on or about the date hereof between the Company and Cholet Acquisitions Limited under which the Company will make available to Cholet Acquisitions Limited amounts by way of loan (the "Intercompany Loan Agreement"); and
4. an Intercreditor Deed dated 9th June, 2003 (as amended) (the "Intercreditor Deed") between Cholet Acquisitions Limited, Cholet Investments Limited and the Original Senior Lenders and the Original Equity Investors (as described therein);

and the exercise by the Company of its rights and the performance of its obligations thereunder, which shall include, without limitation, any condition, undertaking, representation, warranty or things done or to be done in connection with the Documents which would constitute financial assistance.

h

Schedule 2

1. By entering into the Accession Agreement, the Company will (jointly or severally with the other Guarantors (as defined in the Facilities Agreement)) irrevocably and unconditionally;

- (a) guarantee to each Finance Party (as defined in the Facilities Agreement) as principal obligor the performance by each other Obligor of all its payment obligations under the Finance Documents and the payment when due by each other Obligor of all sums payable under the Finance Documents;
- (b) undertake with each Finance Party that if any other Obligor fails to pay any of the indebtedness referred to in paragraph (a) above on its due date it will pay that sum on demand; and
- (c) indemnify each Finance Party on demand against losses, damages, costs and expenses incurred by such Finance Party arising as a result of any obligation of any Obligor under the Finance Documents being or becoming unenforceable, invalid or illegal;

In addition, by entering into the Accession Agreement, the Company will perform all other obligations applicable to it under the Facilities Agreements which will include, without limitation, the giving of:

- (d) certain undertakings, representations and warranties in respect of itself;
 - (e) certain financial covenants and undertakings; and
 - (f) certain indemnities in favour of the Finance Parties.
2. By entering into the Debenture, the Company will grant to Barclays Bank PLC as Security Agent security over its assets and undertaking to secure payment and discharge of all present and future obligations and other liabilities of any nature of each Obligor due, owing or incurred under the Finance Documents. Under the Debenture, security is to include, among other things:
- (a) a charge by way of first legal mortgage over certain real property;
 - (b) a first floating charge over its undertaking and all its assets;
 - (c) a first fixed charge over:
 - (i) certain book debts, certain intellectual property, certain plant and machinery, certain contracts to which the Company is a party and any interest, claim or right of the Company in respect of any pension fund or plan; and

- (ii) all its uncalled share capital, all its goodwill and any authorisation, licence or consent in relation to any assets subject to the Debenture; and
- (d) an absolute assignment by the Company to the Security Agent of all its rights and interest present or future in respect of the Relevant Documents (as defined in the Debenture).

In addition, the Company will perform all other obligations applicable to it under the Debenture which will include, without limitation, the giving of:

- (e) certain undertakings, representations and warranties; and
 - (f) certain indemnities in favour of Barclays Bank PLC as Security Agent.
3. Pursuant to the Intercompany Loan Agreement, the Company will agree to advance funds in amounts to be agreed from time to time to Cholet Acquisitions Limited to make payments when due under the Facilities Agreement in respect of amounts borrowed for the purposes of, amongst other things, acquiring Waste Recycling Group Limited.
4. In respect of the Intercreditor Deed, the Company will accede to the Intercreditor Deed which will govern the ranking of indebtedness as between certain creditors of Cholet Investments Limited, Cholet Acquisitions Limited, Waste Recycling Group Limited and the other Obligors (including the Company) under the Facilities Agreement and, in particular, that all indebtedness payable or owing by Cholet Investments Limited or any of its subsidiaries (including the Company) (the "**Subordinated Group**") to the Finance Parties (as defined in the Facilities Agreement) (or any of them) under the Finance Documents (the "**Senior Debt**") will rank in priority for payment ahead of:
- (a) indebtedness payable or owing by any member of the Group to the Terra Firma Capital Partners II Fund (being Terra Firma Capital Partners II L.P.-A, Terra Firma Capital Partners II L.P.-B, Terra Firma Capital Partners II L.P.-C, Terra Firma Capital Partners II L.P.-D, Terra Firma Capital Partners II L.P.-E and Terra Firma Capital Partners II L.P.-F) and Cholet Holdings Limited (the "**Investor Debt**"); and
 - (b) indebtedness from time to time payable or owing by any Obligor to any other member of the Subordinated Group (the "**Intra-Group Debt**"),

and save for certain permitted payments the Company will not make any payments in respect of the Investor Debt or the Intra-Group Debt.

In addition, the Company will perform all other obligations applicable to it under the Intercreditor Deed which will include, without limitation, the giving of certain covenants, representations and warranties.



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The Directors
Arnold Waste Disposal Limited
3 Sidings Way
White Rose Way
Doncaster
South Yorkshire
DN4 5NU

Our ref ss/am/650

5 September 2003

Dear Sirs

Auditors' report to the directors of Arnold Waste Disposal Limited (the 'Company') pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of the Company dated 5 September 2003 in connection with the proposal that the Company should give financial assistance for the purchase of the entire issued share capital of the Company's holding company, Waste Recycling Group Limited.

This report is made solely to the Company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the Company's auditors might state to the Company's directors those matters we are required to state to them in a report under section 156(4) of that Act and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's directors as a body for our work under section 156(4) of that Act or for this report.

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

KPMG LLP
Registered Auditor



KPMG LLP
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is a member of KPMG International,
a Swiss non operating association

Registered in England No OC301540
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