M

CHFP025

Please do not write in this margin

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

*insert full name of Company

COMPANIES FORM No. 395

100602/240

Particulars of a mortgage or charge

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 3188850

Name of company

* Finstop Limited (the "Company")

Date of creation of the charge

12 August 2003

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

The debenture dated 12 August 2003 (the "Debenture") made between, inter alios, the Company and Barclays Bank PLC as security agent (the "Security Agent").

Amount secured by the mortgage or charge

5 10

Please refer to Part 2 of the attached Continuation Sheet.

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

Barclays Bank PLC (as "Security Agent")
5 The North Colonnade
Canary Wharf
London

Postcode E14 4BB

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

Shearman & Sterling
Broadgate West
9 Appold Street
London
EC2A 2AP LM14880/5662/1474

LNDOCS01/325686.1

Time critical reference

For official Use
Mortgage Section

M

LZX9INOJ
LD2
COMPANIES HOUSE
0500
21/08/03

LZRQYNL7
LD3
COMPANIES HOUSE
0198
18/08/03

Short particulars of all the property mortgaged or charged

Please refer to Part 3 of the attached Continuation Sheet.

Part 4 of the attached Continuation Sheet contains covenants by, and restrictions on, the Company which protect and further define the Charges and which must be read as part of the Charges.

N.B. Please refer to Part 1 of the attached Continuation Sheet for definitions.

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed Shearman & Sterling LLP Date 15 August 2003

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

Continuation Sheets to Form 395

PART 1

Definitions

In this form 395, so far as the context admits, the following expressions have the following meanings:

"**Accession Document**" means an agreement substantially in the form set out in Schedule 7 (*Accession Document*) of the Facilities Agreement pursuant to which a member of the Group becomes a Borrower and/or a Guarantor;

"**Acquiror**" means Cholet Acquisitions Limited;

"**Agency Fees Letter**" means the letter from the Facility Agent and Security Agent to the Acquiror setting out details of the agency fees payable by the Acquiror in connection with the Facilities Agreement;

"**Aldeby Restricted Property**" means the freehold land on the north west side of St. Mary's Road, Aldeby registered at HM Land Registry under Title Number NK189961;

"**Ancillary Documents**" means the documents setting out the terms on which certain ancillary facilities are made available;

"**Ancillary Lender**" means a Revolving Lender in its capacity as provider of certain ancillary facilities;

"**Arrangement Fees Letter**" means the letter from the Joint Mandated Lead Arrangers to the Acquiror setting out details of certain fees payable in connection with the facilities made available under the Facilities Agreement;

"**Bank Balances**" means the amounts now or subsequently standing to the credit of any Charged Account which the Company has, or has an interest in, with any person and the debts represented thereby;

"**Book Debts**" means all book and other debts and monetary claims now or subsequently due or owing to the Company, the proceeds of the same and the benefit of all Investments, Security Interests and guarantees or other rights of any nature now or subsequently enjoyed or held by it in relation thereto (other than Bank Balances);

"**Bonding Letter of Credit**" has the meaning given to that term in the Facilities Agreement;

"**Borrower**" means the Term Borrowers and the Revolving Borrowers and "**Borrower**" means any of them;

"**Business**" means the business carried on by the Target and its Subsidiaries on 9 June 2003 which includes inter alia, (i) the provision of waste management services including the disposal of waste by landfill, the provision and management of civic amenity sites (also known as household waste recycling centres), the composting of garden waste and the operation of transfer stations; (ii) the extraction of landfill gas and the generation and supply of electricity; (iii) the operation of an incinerator at Eastcroft, Nottinghamshire; (iv) the treatment of liquid waste; (v) the construction and subsequent operation of an incinerator at Allington, Kent; and (vi) the quarries/land reclamation division which restores former landfill sites into informal recreation, pasture, forestry and amenity woodlands;

"**Cash Collateral Account**" means any account with the Facility Agent or any Lender opened or to be opened in the name of a Borrower into which sums are to be paid in accordance with Clause 7 (*Repayment*) of the Facilities Agreement or Clause 8 (*Prepayment*) of the Facilities Agreement or in the provision of cash cover and held as security for the obligations of such Borrower under the Finance Documents and in relation to which such Borrower shall have complied with the requirements of paragraph 7 (*Cash Cover*) of Schedule 9 (*Provisions relating to Letters of Credit/Lender Guarantees*) of the Facilities Agreement;

"**Charged Accounts**" means any Cash Collateral Account;

"**Charged Assets**" means the assets from time to time the subject of any Security Interests created or purported to be created by or pursuant to the Debenture and, where the context permits, the proceeds of sale of such assets;

"**Charged Investments**" means Investments forming part of the Charged Assets;

"**Charged Property**" means all freehold and leasehold property forming part of the Charged Assets;

"**Charges**" means Security Interests from time to time created by or pursuant to the Debenture;

"**Cinergy**" means Cinergy Global Trading Limited;

"**Cinergy Contract**" means the agreement dated 1 May 2002 between the Target and Cinergy;

"**Cinergy Properties**" means those Properties which the Cinergy Contract provides may not be subject to a Security Interest without the consent of Cinergy including, without limitation, (i) freehold and leasehold land at the Darrington landfill site, Darrington Leys; (ii) leasehold land at Cridlington Stubbs, Knottingly, Yorkshire WF11 0AH; and (iii) freehold land at the Aveley Waste to Energy Plant, Sandy Lane, Aveley, Essex RM15 4HL;

"**Clawback Provisions**" means those provisions in the agreement dated 27 July, 2001 between East Riding of Yorkshire County Council, Kingston Upon Hull City Council, North Lincolnshire Council and North East Lincolnshire Council (1) and the Target (2) which would require additional consideration to be payable if certain of the Excluded Properties were subject to the Charges;

"**Controlled JVs**" means any Joint Venture (as such term is defined in Clause 15.3(k) (*Joint Ventures*) of the Facilities Agreement) in relation to which, in accordance with the terms of such Joint Venture's constitutional documents and shareholders' agreement or similar agreement dealing with the management and/or control of such Joint Venture, a member of the Group is able to procure compliance with the restrictions set out in the Finance Documents;

"**Delegate**" means a delegate or sub-delegate appointed, directly or indirectly, pursuant to Clause 9.3 (*Delegation*) of the Debenture;

"**Drawing**" means a utilisation by a Borrower of the Tranche A Term Facility, the Tranche B Term Facility, the Tranche C Term Facility, the Revolving A Facility or the Revolving B Facility as the case may be;

"**EA Bond**" has the meaning given to that term in the Facilities Agreement;

"**Environmental Agency**" means the Environment Agency, being the Waste Regulation Authority for the purposes of the Environmental Protection Act 1990 (and includes, for the avoidance of doubt, the Scottish Environment Protection Agency) and references to the Environment Agency shall include its successors in title as the statutory regulatory authority in relation to waste;

"**Escrow Security**" has the meaning given to such term in the Facilities Agreement;

"**Event of Default**" has the meaning given to that term in the Facilities Agreement;

"**Excluded Account**" means any bank account which is subject to Escrow Security;

"**Excluded Contract**" means an agreement the terms of which either preclude absolutely the Company from creating any Security Interest over the benefit of or from assigning its rights arising from such agreement or requiring the consent of any third party prior to the creation of such Security Interest or to the assignment of such rights and such consent shall not have been previously obtained;

"**Excluded Eastcroft Assets**" means all equipment and other assets relating to the Eastcroft Incineration complex;

"**Excluded Gas Assets**" means all gas collection facilities and related assets in respect of which the Company is precluded under a NFFO Contract from creating any Security Interest;

"**Excluded Insurances**" means any Insurances which relate to any third party liability, employees' liability, public liability or any directors and officers insurance;

"**Excluded JV Investments**" means the Investments in respect of the excluded Joint Ventures described in Section 2 of Part 6 of this Continuation Sheet;

"**Excluded Material Contract**" means any Material Contract and/or any insurances which constitutes an Excluded Contract;

"**Excluded Properties**" means the properties described in Section 2 of Part 5 of this Continuation Sheet;

"**Excluded Subsidiary**" means any entity which is a direct or indirect Subsidiary of the Company (or would be but for the exclusion in the definition of that term) and which, in accordance with the terms of the Facilities Agreement, is formed for the purposes of the Allington Incineration Project including, without limitation, Kent Enviropower Limited;

"**Facility Agent**" means Barclays Bank PLC acting in its capacity as agent for the Lenders or such other agent for the Lenders as shall be appointed pursuant to Clause 18.9 (*Resignation of Agents*) of the Facilities Agreement);

"**Facilities Agreement**" means the facilities agreement dated 9 June, 2003 between, inter alios, the Parent, the Company, Barclays Capital and Merrill Lynch International as Joint Mandated Lead Arrangers and Syndication Agents, the financial institutions named therein as Original Lenders and Barclays Bank PLC as Facility Agent and Security Agent as amended on 11 June, 2003 and 11 August, 2003 and as further amended, extended or novated from time to time;

"**Fees Letters**" means the Agency Fees Letter and the Arrangement Fees Letter;

"**Finance Documents**" means the Facilities Agreement, each Security Document, the Intercreditor Deed, the Hedging Agreements, the Hedging Strategy Letter, the Syndication Letter, the Ancillary Documents, each Accession Document, each Transfer Certificate, the Fees Letters and any other document designated as a Finance Document by the Facility Agent and the Acquiror;

"**Finance Parties**" means each Joint Mandated Lead Arranger, the Facility Agent, each Syndication Agent, the Security Agent, each Lender, each Ancillary Lender, each Issuing Lender and each Hedging Lender and "**Finance Party**" means any of them;

"**First Drawing Date**" means 12 August 2003;

"**Fixtures**" means trade and other fixtures and fittings and fixed plant, machinery and other apparatus;

"**Group**" means, at any time, the Parent and its Subsidiaries at that time and "**Group Company**" and "**member of the Group**" means any one of them;

"**Guarantors**" means the Original Guarantors and any other member of the Group which shall have become a guarantor under the Facilities Agreement by executing an Accession Document, and "**Guarantor**" means any of them;

"**Hedging Agreements**" means agreements entered into with the Hedging Lenders for the purpose of hedging interest rate risk in relation to the Term Facilities;

"**Hedging Lender**" means any Lender or any affiliate of any Lender in its capacity as provider of interest rate hedging in relation to the Term Facilities and which provides such hedging under the Hedging Agreements (and, for the avoidance of doubt, a Hedging Lender shall continue to be a Hedging Lender for the purposes of the Finance Documents in the event that its commitments under the Facilities Agreement are reduced to zero);

"**Hedging Strategy Letter**" means the letter dated 9 June, 2003 from the Acquiror to the Joint Mandated Lead Arrangers setting out the interest rate hedging strategy of the Group;

"**Immingham Site**" means the land lying to the south of Queen's Road, Immingham, registered at HM Land Registry under Title Number HS148313;

"**Insurances**" means all benefits, rights and interest of the Company under or in respect of any present or future contract or policy of insurance;

"**Intellectual Property**" means all patents and patent applications, trade and service marks and trade and service mark applications, all brand and trade names, all copyrights (including any rights in computer software) and rights in the nature of copyrights, all design rights, all registered designs, and applications for registered designs, domain name rights, trade secrets, know-how and all other intellectual property rights throughout the world or interests in any of the foregoing, and all rights under any agreements relating to the use or exploitation of any such rights in each case of the Company;

"**Intercompany Loan Agreements**" means the agreements in a form acceptable to the Facility Agent (acting reasonably) to be entered into between members of the Group pursuant to which funds are advanced to enable the Acquiror to make payments under the Finance Documents and all other loans between members of the Group in respect of which the Company is the lender;

"**Intercreditor Deed**" means the intercreditor deed dated 9 June, 2003 as amended on 5 August 2003 between, inter alios, the Finance Parties, the Original Equity Investors, Cholet Holdings Limited, the Parent and the Company;

"**Investment**" means any debenture, bond, share, stock, certificate of deposit or other security now or in the future owned at law or in equity by the Company and all dividends, interest and other moneys paid or payable in respect thereof and all rights, moneys and assets related to or accruing or offered or arising thereon from time to time, whether by way of redemption, conversion, exercise of option rights, substitution, exchange, preference, bonus or otherwise;

"**Issuing Lender**" means Barclays Bank PLC in its capacity as issuer of any Letter of Credit or Lender Guarantee and/or any other Lender which agrees to issue a Letter of Credit and/or Lender Guarantee in accordance with Clause 5.7 (*Issue of Letters of Credit/Lender Guarantees*) of the Facilities Agreement in its capacity as issuer of such Letter of Credit or Lender Guarantee;

"**Joint Mandated Lead Arrangers**" means Barclays Capital and Merrill Lynch International acting in their capacity as joint mandated lead arrangers and bookrunners in connection with the Facilities Agreement;

"**LA Bond**" has the meaning given to that term in the Facilities Agreement;

"**Leasehold Restricted Property**" means each leasehold property held by the Company under a lease the terms of which either preclude absolutely the Company from creating any Security Interest over its leasehold interest in such property or require the consent of any third party prior to the creation of such Security Interest where such consent shall not have been previously obtained and shall include without limitation the properties listed in Section 3 of Part 5;

"**Lender**" means:

(a) when designated "Tranche A", the Original Lenders identified in Schedule 1 (*The Original Lenders*) of the Facilities Agreement or as participating in the Tranche A Term Facility;

(b) when designated "Tranche B", the Original Lenders identified in Schedule 1 (*The Original Lenders*) of the Facilities Agreement or as participating in the Tranche B Term Facility;

(c) when designated "Tranche C", the Original Lenders identified in Schedule 1 (*The Original Lenders*) of the Facilities Agreement or as participating in the Tranche C Term Facility;

(d) when designated "Revolving A", the Original Lenders identified in Schedule 1 (*The Original Lenders*) of the Facilities Agreement or as participating in the Revolving A Facility;

(e) when designated "Revolving B", the Original Lenders identified in Schedule 1 (*The Original Lenders*) of the Facilities Agreement or as participating in the Revolving B Facility,

and in each case any New Lender to whom rights and/or obligations are assigned or transferred in accordance with Clause 19 (*Assignments and Transfers*) of the Facilities Agreement (until, in each case, its entire participation in the Facilities has been assigned or transferred to a New Lender in accordance with Clause 19 (*Assignments and Transfers*) of the Facilities Agreement) (collectively the "**Lenders**");

"**Lender Guarantee**" means (i) any bank guarantee or performance bond issued or to be issued by an Issuing Lender under the Revolving B Facility in the form provided for in Schedule 14 (*Forms of Letter of*

Credit/Lender Guarantee) of the Facilities Agreement or in such other form as may be agreed between the Acquiror, the Facility Agent and the relevant Issuing Lender (acting reasonably), (ii) any EA Bond or (iii) any LA Bond;

"**Letter of Credit**" means (i) a letter of credit issued or to be issued by an Issuing Lender under the Revolving B Facility in the form set out in Schedule 14 (*Forms of Letter of Credit/Lender Guarantees*) of the Facilities Agreement or in such other form as may be agreed between the Acquiror, the Facility Agent and an Issuing Lender (acting reasonably) or (ii) a Bonding Letter of Credit;

"**Local Authority Contract**" means any agreement entered into by the Company with a local authority pursuant to which the Company agrees to provide for the disposal of waste by means of either landfill or incineration;

"**Material After-Acquired Property**" means any Property acquired by the Company after the Charge Date which is a land fill site in respect of which there is in excess of 2 million cubic metres of fully consented void capacity;

"**Material Adverse Effect**" means any event or circumstance which:-

(a) is or is reasonably likely to be materially adverse to:-

(i) the ability of the Obligors (taken as whole) to perform any of their payment obligations under any Finance Document or comply with the financial covenants contained in Clause 15.7 (*Financial Covenants*) of the Facilities Agreement; or

(ii) the business, assets (taken as whole) or financial condition of the Group (taken as a whole);

(b) which results in any of the Finance Documents not being (in each case subject to the reservations) legal, valid and binding on and enforceable against any member of the Group and/or in the case of any Security Documents not providing to the Security Agent security over the assets expressed to be secured under the Security Documents in each case in a manner and to an extent which is materially prejudicial to the interests of the Finance Parties under the Finance Documents;

"**Material Contracts**" means the Local Authority Contracts and any other agreement designated as such by the Security Agent and the Parent at the date of the Debenture or thereafter;

"**Material Intellectual Property**" means any Intellectual Property of the Company that the Security Agent (acting reasonably and following consultation with the Company) considers to be material in the context of the Business;

"**Minor Joint Ventures**" means Shelford Composting Limited, Energylinc Limited and CLWR Management 2001 Limited;

"**New Lender**" means:

(a) a bank or financial institution; or

(b) any trust, fund or other entity which is engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets,

to whom any Lender assigns or transfers any of its rights and obligations under the Facilities Agreement;

"**NFFO Contract**" means any non-fossil fuel obligation agreement to which the Company is a party;

"**Non-Material Clawback Properties**" means those properties listed in Section 2 of Part 5 of this Continuation Sheet which are altered by the Clawback Provisions save for the Immingham Site and the Winterton and Carnaby Properties;

"**Norfolk CC Contract**" means the Local Authority contract dated 3 February, 1989 between Tarmac Econowaste Limited and Norfolk County Council relating to waste disposal at the Aldeby Landfill Site;

"**Notice of Document Assignment**" means a notice of assignment in the form set out in Part 1 of Schedule 6 of the Debenture;

"**Notice of Insurance Assignment**" means a notice of assignment in the form set out in Part 2 of Schedule 6 of the Debenture;

"**Obligors**" means at any time each Borrower and each Guarantor at that time and "**Obligor**" means any of them;

"**Original Equity Investors**" means the Partnerships (as defined in the Parent Loan Note Instruments) in each case acting through its general partner, the Subscriber (as defined in the Parent Loan Note Instruments) as at the date on which the Parent Loan Instruments are entered into;

"**Original Guarantors**" means from the date on which each such person becomes a guarantor by executing the Facilities Agreement, each member of the Group identified in Part C of Schedule 2 (*The Obligors*) of the Facilities Agreement;

"**Original Lenders**" means each of Merrill Lynch Capital Corporation and Barclays Bank PLC and "**Original Lender**" means any one of them;

"**Parent**" means Cholet Investments Limited (company number 04770256), a limited liability company incorporated under the laws of England and Wales;

"**Permitted Security Interest**" means any Security Interest which is permitted pursuant to Clause 15.3(d) (*Negative Pledge*) of the Facilities Agreement;

"**Personal Chattels**" means plant, machinery, equipment, goods and other personal chattels (including all spare parts, replacements, modifications and additions) but not Fixtures on Property charged under Clause 3.2 (*Property*) of the Debenture or stock in trade or work in progress;

"**Property**" means freehold and leasehold property in England or Wales and other real estate anywhere in the world, and any reference to any charges over Property or any estate or interest therein includes a charge over:

(a) the benefit of any covenant for title given or entered into by any predecessor in title of the Company in respect of that Property and any moneys paid or payable in respect of those covenants;

(b) all buildings and Fixtures on the Property; and

(c) the proceeds of sale of all or any part thereof,

(the assets referred to in paragraphs (a), (b) and (c) being "**Related Property Rights**");

"**Receiver**" means an administrative receiver, receiver and manager or other receiver appointed in respect of the Charged Assets by the Security Agent pursuant to the Debenture;

"**Relevant Documents**" means the Hedging Agreements, the Insurances, the Intercompany Loan Agreements;

"**Revolving A Facility**" means the revolving credit facility to be made available by the Revolving A Lenders pursuant to Clause 2.1(d) (*Facilities*) of the Facilities Agreement;

"**Revolving B Facility**" means the revolving credit facility to be made available by the Revolving Lenders pursuant to Clause 2.1(e) (*Facilities*) of the Facilities Agreement;

"**Revolving Borrowers**" means, from the date on which each such person becomes a borrower by either being party to the Facilities Agreement or by executing an Accession Document, each member of the Group identified in Part B of Schedule 2 (*The Obligors*) of the Facilities Agreement and each other member of the Group which is entitled to become and becomes a borrower by executing an Accession Document pursuant to the Facilities Agreement;

"**Revolving Lenders**" means the Revolving A Lenders and the Revolving B Lenders and "**Revolving Lender**" means any of them;

"**rights**" shall be construed as including rights, benefits, privileges, consents, authorities, discretions, remedies and powers and "**right**" shall be construed accordingly;

"**Scheduled Investments**" means the Investments described in Section 1 of Part 6 of this Continuation Sheet;

"**Scheduled Property**" means the Property described in Part 5 of this Continuation Sheet and all Related Property Rights;

"**Security Agent**" means Barclays Bank PLC, acting in its capacity as trustee and security agent for the Finance Parties in relation to the Security Documents, or such other agent as may from time to time be appointed in that capacity pursuant to Clause 21 (*Appointment and Duties of the Security Agent*) of the Intercreditor Deed;

"**Security Documents**" means the debenture dated 9 June 2003 between the Parent, the Acquiror and the Facility Agent, the Debenture and any other document providing for a guarantee or Security Interest in favour of the Finance Parties (or any of them);

"**Security Interest**" means any mortgage, charge (fixed or floating), standard security, pledge, lien, hypothecation, right of set-off, security trust, assignment by way of security, reservation of title, or any other security interest whatsoever, howsoever created or arising or any other agreement or arrangement entered into for the purposes of conferring security and any agreement to create or establish any of the foregoing;

"**Share Dealing Account**" means the share dealing account being an account of Northern Registrars Limited with the name "Northern Registrars Limited a/c Cholet Acquisition Limited" with account number 17162655 and sort code 05-04-69 held at Yorkshire Bank plc, 40 New Street, Huddersfield HD1 2BT;

"**Site Waste Management Licences**" means any waste management licence issued by the Environment Agency to the Company in relation to a specified site;

"**Subsidiary**" means:

(a) a subsidiary as defined in section 736 of the Companies Act 1985 and excluding the Minor Joint Ventures;

(b) for the purposes only of the financial information to be delivered, and the financial covenants to be complied with, under this Agreement, a subsidiary undertaking as defined in section 258 of the Companies Act 1985; and

(c) any Controlled JV;

but excluding any Excluded Subsidiary;

"**Syndication Agents**" means Barclays Capital and Merrill Lynch International acting in their capacity as syndication agents and documentation agents in connection with the Facilities;

"**Syndication Letter**" means the syndication letter dated 9 June 2003 between Terra Firma, the Company and the Joint Mandated Lead Arrangers;

"**Target**" means Waste Recycling Group Limited (formerly known as Waste Recycling Group plc);

"**Term Borrowers**" means, from the date on which each such person becomes a borrower by either being party to the Facilities Agreement or by executing an Accession Document, each member of the Group identified in Part A of Schedule 2 (*The Obligors*) of the Facilities Agreement and each other member of the Group which is entitled to become and becomes a borrower thereunder for the purposes of drawing the Term Facilities by executing an Accession Document;

"**Term Facilities**" means the Tranche A Term Facility, the Tranche B Term Facility and the Tranche C Term Facility and "**Term Facility**" means any of them;

"**Terra Firma**" means Terra Firma Investments GP(2) Ltd, a company incorporated in Guernsey whose registered office is at Fort Complex, has Tracheries, St Sampson, Guernsey;

"**Tranche A Term Facility**" means the term loan facilities to be made available by the Tranche A Lenders pursuant to Clause 2.1(a) (*Facilities*) of the Facilities Agreement;

"**Tranche B Term Facility**" means the term loan facilities to be made available by the Tranche B Lenders pursuant to Clause 2.1(b) (*Facilities*) of the Facilities Agreement;

"**Tranche C Term Facility**" means the term loan facilities to be made available by the Tranche C Lenders pursuant to Clause 2.1(c) (*Facilities*) of the Facilities Agreement;

"**Transfer Certificate**" means a certificate substantially in the form set out in Schedule 6 (*Transfer Certificate*) of the Facilities Agreement or any other form agreed between the Facility Agent and the Acquiror;

"**Walsall MBC Contract**" means the Local Authority Contract dated 16 January, 1992 between Tarmac Econowaste Limited and Walsall Metropolitan Borough Council relating to tipping at the Edwin Richards Landfill Site;

"**Winterton and Carnaby Properties**" means the freehold land at Winterton and Carnaby details of which are set out in Section 2 of Part 5 of this Continuation Sheet.

In addition, a Charge given by the Company shall be "**enforceable in accordance with Clause 6.2(b) (*Enforceability of Security*) of the Debenture**" upon:

(i) the occurrence of an Event of Default which is continuing unremedied and unwaived; or

(ii) the Company requests the Security Agent to appoint a Receiver or the Security Agent appoints a Receiver in accordance with the provisions of the Debenture,

and the power of sale conferred by Section 101 of the Law of Property Acts 1925 as extended by the Debenture shall be exercisable in relation to the Charges and the Security Agent may take possession of any Charged Asset at any time after the Charges have become enforceable in accordance with Clause 6.2(b) (*Enforceability of Security*) of the Debenture.

Note Save where a contrary intention appears in this Continuation Sheet:

(1) reference to a party or person is, where relevant, a reference to or to include, as appropriate, its successor, permitted assignees or transferees; and

(2) a reference to any agreement, deed or instrument is a reference to that agreement, deed or instrument as it may from time to time be amended, varied, supplemented, restated or novated.

PART 2

Amount Secured by the Mortgage or Charge

The payment of all present and future obligations and other liabilities of any nature of each Obligor due, owing or incurred under the Finance Documents (or any of them) to the Security Agent and/or the Finance Parties and/or any Receiver (including, without limitation, under any amendments, supplements or restatements of any of the Finance Documents or in relation to any new or increased advances or utilisations under the Finance Documents), and whether indebtedness or liabilities originally owed to all or any of the Finance Parties and/or any Receiver actual or contingent, matured or not matured, liquidated or unliquidated, whether incurred solely or jointly and/or severally or in any other capacity whatsoever and whether as principal or surety, in any currency or currencies, including all interest accruing thereon (calculated in accordance with Clause 2.3 (*Interest*) of the Debenture), after as well as before judgment, and all costs, charges and expenses incurred in connection therewith which are payable by the relevant Obligor in accordance with the terms of the Finance Documents, in each case, and notwithstanding any other provision of the Debenture except for any obligations or liabilities which, if they did form part of the Secured Liabilities would result in the Debenture (or any part thereof) constituting unlawful financial assistance in contravention of Section 151 of the Companies Act 1985, (together, the "**Secured Liabilities**").

10

PART 3

Short Particulars of all property mortgaged or charged

1. **Security Interests: Property:** Pursuant to Clause 3.2 (*Property*) of the Debenture, the Company, as security for the payment of all Secured Liabilities charged and agreed to charge:

   (a) by way of first legal mortgage, the Scheduled Property other than (i) any Leasehold Restricted Property, the Aldeby Restricted Property or the Cinergy Properties, in relation to which the provisions of Clause 3.15 (*Leasehold Interests Containing Restrictions on Charging, Aldeby Restricted Property and Cinergy Properties*) of the Debenture (as set out in paragraph 13 of this Part 3 of the Continuation Sheet) shall apply (ii) the Excluded Properties, in relation to which the provisions of Clause 3.16 (*Excluded Properties*) of the Debenture (as set out in paragraph 14 of this Part 3 of the Continuation Sheet) shall apply and (iii) any Excluded Gas Assets; and

   (b) by way of first fixed charge, all estates or interests now or subsequently belonging to it in, or in relation to, any Scheduled Property and any Material After-Acquired Property (save to the extent charged by paragraph (a) above) other than (i) any Leasehold Restricted Property, the Aldeby Restricted Property or the Cinergy Properties, in relation to which the provisions of Clause 3.15 (*Leasehold Interests Containing Restrictions on Charging Aldeby Restricted Property and Cinergy Properties*) of the Debenture (as set out in paragraph 13 of this Part 3 of the Continuation Sheet) shall apply and (ii) the Excluded Properties, in relation to which the provisions of Clause 3.16 (*Excluded Properties*) of the Debenture (as set out in paragraph 14 of this Part 3 of the Continuation Sheet) shall apply.

2. **Security Interests: Investments**: Pursuant to Clause 3.3 (*Investments*) of the Debenture, the Company, as security for the payment of all Secured Liabilities, charged by way of first fixed charged all of its Investments (including Scheduled Investments) now or subsequently belonging to it or held by any nominee on its behalf other than the Excluded JV Investments.

3. **Security Interests: Book Debts**: Pursuant to Clause 3.4 (*Book Debts*) of the Debenture, the Company, as security for the payment of all Secured Liabilities (and subject to Clause 5.3(c) (*Book Debts*) of the Debenture which provides that except when the Charges are enforceable in accordance with Clause 6.2(b) (*Enforceability of Security*) of the Debenture, any moneys in respect of the Book Debts received by the Company shall be automatically released from the fixed charge created by Clause 3.4 (*Book Debts*) of the Debenture and shall only be subject to the floating charge created by Clause 3.12 (*Floating Charge*) and the Company shall be free to apply those moneys as it sees fit subject to any applicable restrictions set out in the Facilities Agreement), charged by way of first fixed charge, all rights which it may have now or subsequently in respect of any Book Debts.

4. **Security Interests: Intellectual Property**: Pursuant to Clause 3.5 (*Intellectual Property*) of the Debenture, the Company, as security for the payment of all Secured Liabilities, charged (to the extent not prohibited to do so by the terms on which such Intellectual Property is held by it) by way of first fixed charge all rights in respect of Intellectual Property now or subsequently belonging to it.

5. **Security Interests: Bank Balances**: Pursuant to Clause 3.6 (*Bank Balances*) of the Debenture, the Company charged, as security for the payment of all Secured Liabilities, by way of first fixed charge all of its Bank Balances.

6. **Security Interests: Plant and Machinery**: Pursuant to Clause 3.7 (*Plant and Machinery*) of the Debenture, the Company, as security for the payment of all Secured Liabilities, charged by way of first fixed charge all of its Personal Chattels now or subsequently belonging to the Company and its interest in any such Personal Chattels in its possession other than the Excluded Eastcroft Assets in relation to which the provisions of Clause 3.18 (*Excluded Eastcroft Assets*) of the Debenture (as set out in paragraph 16 of this Part 3 of the Continuation Sheet) shall apply and the Excluded Gas Assets.

7. **Security Interests: Contracts**: Pursuant to Clause 3.8 (*Contracts*) of the Debenture (and subject to Clause 5.8 (*Payments under Contracts*) of the Debenture which provides that except where the Charges are enforceable in accordance with Clause 6.2(b) (*Enforceability of Security*) of the Debenture, any moneys in respect of the Material Contracts or other matters referred to in Clause 3.8 (*Contracts*) or 3.10(c) (*Other Charges*) of the Debenture (together, the "**Relevant Contracts**") received by the Company shall be automatically released from the fixed charge created by Clause 3.8 (*Contracts*) of the Debenture and shall only be subject to the floating charge created by Clause 3.12 (*Floating Charge*) of the Debenture and the Company shall be free to apply those moneys and exercise its rights under the Relevant Contracts as it sees fit subject to any applicable restrictions set out in the Finance Documents), the Company, as security for the payment of all Secured Liabilities, charged and agreed to charge by way of first fixed charge all its rights (including, without limitation, the right to receive any compensation) now or subsequently of the Company in respect of:

   (a) the Material Contracts and any other agreement to which it is party;

   (b) any warranty, bond, guarantee or letter of credit issued in its favour;

   (c) any bill of exchange or any other negotiable instrument held by it,

   (to the extent that the same are not otherwise subject to an effective fixed charge or security assignment pursuant to the Debenture) but excluding any Excluded Contract in relation to which the provisions of Clause 3.17 (*Material Contracts Containing Prohibition on Charging*) of the Debenture (as set out in paragraph 15 of this Part 3 of the Continuation Sheet) shall apply.

8. **Security Interests: Pension Funds**: Pursuant to Clause 3.9 (*Pension Fund*) of the Debenture, the Company, as security for the payment of all Secured Liabilities, charged (to the extent not prohibited to do so by the terms applicable to such interests, claims or rights) by way of first fixed charge any interest, claim or right which it has now or subsequently in respect of any pension fund or plan.

9. **Security Interests: Other Charges**: Pursuant to Clause 3.10 (*Other Charges*) of the Debenture, the Company, as security for the payment of all Secured Liabilities, charged by way of first fixed charge:

   (a) all its uncalled capital;

   (b) all its goodwill; and

   (c) subject to Clause 5.8 (*Payments under Contracts*) of the Debenture (the terms of which are summarised in paragraph 7 above), the Site Waste Management Licences and (to the extent it is permitted to do so by the terms applicable to the same) any other authorisation, licence or consent in relation to any Charged Assets (including the right to receive compensation in respect thereof).

10. **Security Interests: Assignment by way of Security**: Pursuant to Clause 3.11 (*Assignment by way of Security*) of the Debenture, the Company, as continuing security for the payment of all Secured Liabilities,

assigned absolutely (subject to the right to reassignment on redemption pursuant to Clause 16.7 (*Redemption*) of the Debenture and, in the case of any Insurances which constitute an Excluded Material Contract to obtaining the relevant third party consent in accordance with Clause 3.17 (*Material Contracts Containing Prohibition on Charging*) of the Debenture (as set out in paragraph 15 of this Part 3 of the Continuation Sheet)) to the Security Agent all rights and interest present or future of the Company in respect of the Relevant Documents (other than any Excluded Insurances) together with the benefit of all its rights, claims and remedies in respect of such Relevant Documents.

Until the Charges are enforceable in accordance with Clause 6.2(b) (*Enforceability of Security*) of the Debenture and the Security Agent serves a notice to the contrary in accordance with a Notice of Document Assignment, the Company shall be entitled to exercise all its rights in the Relevant Documents, subject to the other provisions of the Debenture.

11. **Security Interests Floating Charge:** Pursuant to Clause 3.12 (*Floating Charge*) of the Debenture:

(a) The Company, as security for the payment of all Secured Liabilities, charged by way of first floating charge, its undertaking and all its assets both present and future not otherwise effectively mortgaged, charged or assigned by the Debenture (other than the Leasehold Restricted Properties, the Aldeby Restricted Property, the Cinergy Properties, the Excluded Properties, the Excluded Contracts, the Excluded Insurances, the Excluded Accounts, the Excluded JV Investments, the Excluded Gas Assets and the Excluded Eastcroft Assets). The floating charge created by the Company under the Debenture shall, except as otherwise agreed in writing by the Security Agent, rank in priority to any other Security Interest which shall subsequently be created or permitted to arise by the Company (other than any Security Interest permitted under Clause 15.3(d)(i), 15.3(d)(v), 15.3(d)(xi) or 15.3(d)(xiii) (*Negative Pledge*) of the Facilities Agreement) or any Security Interest created by a Receiver appointed under the Debenture.

(b) Notwithstanding the provisions of Clause 6.2(b) (*Enforceability of Security*) of the Debenture, the Security Agent may by notice to the Company convert the floating charge created by the Company pursuant to Clause 3.12 (*Floating Charge*) of the Debenture into a fixed charge as regards such assets as may be specified (whether generally or specifically) in such notice if:

(i) an Event of Default is outstanding and continuing unremedied and unwaived; or

(ii) the Security Agent reasonably considers those assets to be in jeopardy of being seized or sold pursuant to any distress, attachment, execution, sequestration or other legal process.

(c) Notwithstanding any other provision of the Debenture (and without prejudice to the circumstances in which the floating charge created under Clause 3 (*Security Interests*) of the Debenture will crystallise under general law):

(i) if any person presents or makes an application for a writ of execution, writ of *fieri facias*, garnishee order or charging order or otherwise levies or attempts to levy any distress, execution, attachment, expropriation, sequestration or other legal process against any of the assets which are charged by way of the first floating charge of the Company; or

(ii) the Company or any other Obligor breaches Clause 5.18 (*General Restrictions and Obligations*) of the Debenture; or

(iii) a petition is presented for the winding up or administration in relation to any Obligor

which is not discharged within 28 days (in the case of a winding up petition) or 5 days (in the case of a petition for an administration order) or in any event before such petition is heard,

then with immediate effect and without notice the floating charge shall automatically convert into a fixed charge as regards such assets.

(d) Any charge which has crystallised under paragraphs (b) or (c) above may be reconverted into a floating charge by notice given at any time by the Security Agent to the Company concerned in relation to the assets specified in such notice.

12. **Security Interests: Fixed and Floating Security**: Pursuant to Clause 3.14 (*Security Interest Fixed and Floating Security*) of the Debenture, if for any reason any Security Interest in respect of any asset created or purported to be created pursuant to Clause 3 (*Security Interests*) of the Debenture as a fixed charge or assignment, does not, or ceases to, take effect as a fixed charge or assignment, then it shall take effect as a first floating charge in respect of such asset without the Company being in breach of any provision of the Finance Documents. However it is the intent of the parties to the Debenture that the Security Interests over other Charged Assets shall remain unaffected.

13. **Security Interests: Leasehold Interests containing Restrictions on Charging, Aldeby Restricted Property and Cinergy Properties**: Pursuant to Clause 3.15 (*Leasehold Interests containing Restrictions on Charging, Aldeby Restricted Property and Cinergy Properties*) of the Debenture:

(a) Until the relevant consent has been obtained, there shall be excluded from the charge created by Clause 3.2 (*Property*) of the Debenture and from the floating charge created by Clause 3.12 (*Floating Charge*) of the Debenture and from the operation of the further assurance provisions set out in Clause 11 (*Further Assurance*) of the Debenture, the Aldeby Restricted Property, any Cinergy Property and any Leasehold Restricted Property.

(b) With regard to each Leasehold Restricted Property, the Aldeby Restricted Property and each Cinergy Property, the Company undertakes (i) to apply, within 90 days of the date of the First Drawing Date, for the consent of the relevant third party to the creation of the Charges constituted by the terms of the Debenture, (ii) if, at the end of such 90 day period, the Company reasonably believes that the consent of the relevant third party will be forthcoming, to continue to use reasonable endeavours for a further period of 90 days to obtain such consent as soon as possible and (iii) to keep the Security Agent informed of the progress of its negotiations with such third parties, Provided That the Company shall not be in breach of the provisions of Clause 3.15 (*Leasehold Interests Containing Restrictions on Charging, Aldeby Restricted Property and Cinergy Properties*) of the Debenture if the terms imposed by such third party as a condition of its granting its consent are unduly onerous or restrictive. It is agreed that if, after the initial 90 day period or, where applicable, the further 90 day period referred to in Clause 3.15 (*Leasehold Interests Containing Restrictions on Charging, Aldeby Restricted Property and Cinergy Properties*) of the Debenture, the consent of the relevant third party has not been obtained, the Company shall have no further obligations in respect of that Leasehold Restricted Property or (as applicable) the Aldeby Restricted Property or that Cinergy Property under Clause 3.15 (*Leasehold Interests Containing Restrictions on Charging, Aldeby Restricted Property and Cinergy Properties*) of the Debenture.

(c) Forthwith, upon receipt of the relevant third party's consent as aforesaid, the relevant Leasehold Restricted Property or (as applicable) the Aldeby Restricted Property or the relevant Cinergy Property, shall thereupon stand charged to the Security Agent pursuant to the Charges constituted by the terms of the Debenture with immediate effect in accordance with Clause 3.2 (*Property*) of the Debenture, only if (in the case of a Leasehold Restricted Property or a Cinergy Property) such Leasehold Restricted Property or such Cinergy Property, as the case may be, is a Scheduled Property, or a Material After-Acquired Property and Clause 3.12 (*Floating Charge*) of the Debenture. The Company shall provide the Security Agent with a copy of the third party consent within 7 days of such consent being given and shall notify such third party of such Charges in accordance with the terms of Clause 4.7 (*Notice to Landlords*) of the Debenture. If required by the Security Agent at any time following receipt of such consent the Company will execute a valid legal mortgage in such form as the Security Agent acting reasonably shall require in respect of any relevant Leasehold Restricted Property or (as applicable) the Aldeby Restricted Property or Cinergy Property which is a Scheduled Property.

14. **Security Interests: Excluded Properties**: Pursuant to Clause 3.16 (*Excluded Properties*) of the Debenture:

(a) Notwithstanding any other provision of the Debenture or any other Finance Document, no Excluded Property which is at the Charge Date affected by the Clawback Provisions shall stand charged to the Security Agent pursuant to the Charges until such date as it may stand charged to the Security Agent pursuant to the Charges without triggering the Clawback Provisions upon which date it will stand charged to the Security Agent pursuant to the Charges constituted by the terms of the Debenture with immediate effect, in the case of the Immingham Site and the Winterton and Carnaby Properties, in accordance with Clause 3.2 (*Property*) of the Debenture and Clause 3.12 (*Floating Charge*) of the Debenture and, in the case of a Non-Material Clawback Property, in accordance with Clause 3.12 (*Floating Charge*) of the Debenture.

(b) If required by the Security Agent at any time following the expiry of the Clawback Provisions the Company will execute a valid legal mortgage in such form as the Security Agent, acting reasonably, shall require in respect of the Immingham Site and the Winterton and Carnaby Properties referred to in (a) above.

15. **Security Interests: Material Contracts Containing Prohibition on Charging**: Pursuant to Clause 3.17 (*Material Contracts Containing Prohibition on Charging*) of the Debenture:

(a) Until the relevant consent has been obtained, there shall be excluded from the Charge created by Clause 3.8 (*Contracts*) of the Debenture and from the floating charge created by Clause 3.12 (*Floating Charge*) of the Debenture and from the operation of the further assurance provision set out in Clause 11 (*Further Assurance*) of the Debenture, any rights, title, assets, benefits or interest enjoyed by the Company under any Excluded Material Contract.

(b) With regard to each Excluded Material Contract, the Company undertakes (i) to apply, within 90 days of the First Drawing Date, for the consent of the relevant third party to the creation of the Charges constituted by the Debenture, (ii) if, at the end of such 90 day period, the Company reasonably believes that the consent of the relevant third party will be forthcoming, to continue to use reasonable endeavours for a further period of 90 days to obtain such consent as soon as possible and (iii) to keep the Security Agent informed of the progress of its negotiations with such third parties, Provided That the Company shall not be in breach of the provisions of Clause 3.17 (*Material Contracts Containing Prohibition on Charging*) of the Debenture if the terms imposed

by such third party as a condition of it granting its consent are unduly onerous or restrictive. It is agreed that if, after the initial 90 day period or, where applicable, the further 90 day period referred to in Clause 3.17 (*Material Contracts Containing Prohibition on Charging*) of the Debenture, the consent of the relevant third party has not been obtained, the Company shall have no further obligations in respect of that Excluded Material Contract under Clause 3.17 (*Material Contracts Containing Prohibition on Charging*) of the Debenture.

(c) Forthwith, upon receipt of the relevant third party's consent as aforesaid, the relevant Excluded Material Contract shall thereupon stand (in the case of a Material Contract which is an Excluded Material Contract) charged to the Security Agent pursuant to the Charges constituted by the terms of the Debenture in accordance with Clause 3.8 (*Contracts*) of the Debenture and Clause 3.12 (*Floating Charge*) of the Debenture and (in the case of Insurances which are Excluded Material Contracts) assigned to the Security Agent pursuant to the Charges constituted by the terms of the Debenture in accordance with Clause 3.11 (*Assignment by way of Security*) of the Debenture and Clause 3.12 (*Floating Charge*) of the Debenture. The Company shall provide the Security Agent with a copy of the third party consent within 7 days of such consent being given.

16. **Security Interests: Excluded Eastcroft Assets**: In accordance with Clause 3.18 (*Excluded Eastcroft Assets*) of the Debenture, notwithstanding any other provision of the Debenture or any other Finance Document, no Excluded Eastcroft Asset shall stand charged to the Security Agent pursuant to the Charges until termination of the finance leases and the discharge of all Security Interests relating to such leases entered into in connection therewith, upon which date it will stand charged to the Security Agent pursuant to the Charges constituted by the terms of the Debenture with immediate effect in accordance with Clause 3.7 (*Plant and Machinery*) of the Debenture and Clause 3.12 (*Floating Charge*) of the Debenture.

17. **Security Interests: Miscellaneous**: In accordance with Clause 3.19 (*Miscellaneous*) of the Debenture, notwithstanding any other provision of the Debenture, none of the Leasehold Restricted Properties, the Aldeby Restricted Property, the Cinergy Properties, the Excluded Properties, the Excluded Contracts, the Excluded Insurances, the Excluded Accounts, the Excluded JV Investments, the Excluded Gas Assets or the Excluded Eastcroft Assets shall be subject to any Security Interest pursuant to the Debenture except in respect of:

(a) a Leasehold Restricted Property, the Alderby Restricted Property or a Cinergy Property in accordance with Clause 3.15 (*Leasehold Interests Containing Restrictions on Charging, Aldeby Restricted Property and Cinergy Properties*) of the Debenture;

(b) an Excluded Property, in accordance with Clause 3.16 (*Excluded Properties*) of the Debenture;

(c) an Excluded Material Contract, in accordance with Clause 3.17 (*Material Contracts Containing Prohibition on Charging*) of the Debenture; and

(d) an Excluded Eastcroft Asset in accordance with Clause 3.18 (*Excluded Eastcroft Assets*) of the Debenture.

PART 4

Covenants by and restrictions on the Company

1. **Charging Company's Obligations Continuing:** Pursuant to Clause 2.1 (*Charging Company's Obligations Continuing*) of the Debenture, the Company's obligations under Clause 2 (*Covenant To Pay*) of the Debenture and the Charges shall constitute and be continuing obligations and will extend to the ultimate balance of Secured Liabilities payable by the Company and will remain in full force and effect until no Secured Liabilities remain outstanding, unsatisfied or capable of arising under the Finance Documents regardless of any intermediate discharge in whole or in part.

2. **Retention of Documents**: Pursuant to Clause 3.13 (*Retention of Documents*) of the Debenture, the Security Agent is entitled to continue to retain any document delivered to it under the Debenture relating to a Charged Asset until the Charges over such Charged Asset are released in accordance with the Debenture. If, for any reason, the Security Agent ceases to hold any such document before such time, it may by notice to the Company require that the relevant document be redelivered to it and the Company shall immediately comply with that requirement or procure that it is complied with.

3. **Property Obligations: Acquisition of Property**: Pursuant to Clause 4.1(c) (*Acquisition of Property*) of the Debenture the Company shall, promptly on request of the Security Agent and at the cost of the Company, execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent over any Material After-Acquired Property acquired by it.

4. **Property Searches and Registration Undertaking:** Pursuant to Clause 4.2(b) (*Property Searches and Registration Undertaking*) of the Debenture the Company agreed that it would, on the date required in accordance with the Facilities Agreement procure a letter or letters from a reputable firm or firms of solicitors addressed to the Security Agent and in such terms as the Security Agent may reasonably require undertaking:-

   (a) during the priority period allowed by the searches referred to in Clause 4.2(a) of the Debenture or (in the case of unregistered land where first registration is triggered by the Debenture) such longer period as may be permitted by HM Land Registry for registration to lodge at HM Land Registry applications for the registration of the Security Agent's legal charge over such of the relevant properties listed in Section 1 of Part 5 to this Continuation Sheet as are registered or capable of registration and as are situate in England and Wales;

   (b) subject as required to comply with paragraph (i) above, to hold the title deeds to such properties to the order of the Security Agent; and

   (c) within 14 days of the Charge Date in respect of such properties where title is leasehold (other than any Leasehold Restricted Property) to serve notice of charge on all landlords paying all registration fees prescribed by the relevant lease.

5. **Property Obligations: Leasing and Other Undertakings**: Pursuant to Clause 4.3 (*Leasing and Other Undertakings*) of the Debenture, the Company shall (whether in exercise of any statutory power or otherwise) save where the Security Agent has agreed otherwise:

   (a) not grant, or agree to grant, any lease or tenancy of all or any part of any Charged Property or confer or agree to confer upon any person any contractual licence or right to occupy or use any Charged Property other than as permitted by the Finance Documents;

(b) nor determine or extend or accept, any surrender of any lease, tenancy or licence comprised in the Charged Property or agree to do any of these things where this would have a Material Adverse Effect.

6. **Registered Land:** Pursuant to Clause 4.5 (*Registered Land*) of the Debenture:

(a) in respect of any Scheduled Property situated in England or Wales which is charged under Clause 3.2 (*Property*) of the Debenture, the Company shall apply to the Chief Land Registrar for a restriction in the following terms to be entered on the registers of the title of such Scheduled Property as is now or thereafter registered under the Land Registration Act 1925:

"Except under an order of the Registrar no disposition or dealing by the proprietor of the land is to be registered without the consent of the proprietor for the time being of the Debenture dated [•], 2003 between the Charging Companies named therein and Barclays Bank PLC as security agent and trustee for certain finance parties."

(b) To the extent that the Finance Parties are under an obligation to make further advances the Company shall also make an application to the Registrar for a note to be entered on such register to that effect.

7. **Future Acquired Leases:** Pursuant to Clause 4.8 (*Future Acquired Leases*) of the Debenture, the Company undertook that it would use its reasonable endeavours, or procure its Subsidiaries to use their reasonable endeavours, to ensure that any leasehold interest acquired after the Charge Date does not constitute a Leasehold Restricted Property.

8. **General Restrictions and Obligations:** Pursuant to Clause 5.1 (*General Restrictions and Obligations*) of the Debenture except with the consent of the Security Agent, the Company shall not:

(a) create or permit to be outstanding any Security Interest over any Charged Assets other than a Permitted Security Interest; or

(b) sell, transfer, assign, lease, hire out, grant, lend or otherwise dispose of any of the Charged Assets or the equity of redemption therein or permit any person to do any such thing except as permitted under the Facilities Agreement.

The Company also undertook that it shall use its reasonable its endeavours, or procure its Subsidiaries to use their reasonable endeavours, to ensure that any Material Contracts entered into after the Charge Date do not constitute an Excluded Material Contract, provided that the Company shall not be required to take any steps pursuant to Clause 5.1 (*General Restrictions and Obligations*) of the Debenture that could reasonably be expected to prejudice negotiations in respect of, or the terms applicable to, any Material Contract entered into after the Charge Date.

The Company, when the Charges are Enforceable, undertook, if so requested by the Security Agent, to use all reasonable endeavours to procure the consent of the Environment Agency to the transfer of any Site Waste Management Licences to such person or persons as the Security Agent shall specify.

9. **Further Assurance:** Pursuant to Clause 11 (*Further Assurance*) of the Debenture, the Company shall, at its own expense, promptly do all such acts and things as the Security Agent may require for:

(a) creating, registering, perfecting, maintaining or protecting the Charges or any of the Charged

Assets;

(b) at any time after the occurrence of an Event of Default which is continuing unremedied and unwaived or the Charges shall have otherwise become Enforceable, a legal assignment of Book Debts; or

(c) facilitating the realisation of any Charge after the Charge has become Enforceable or the exercise of any right, power or discretion in relation to any Charged Asset or Charge vested in the Security Agent, any Receiver or any Delegate,

including, without limitation, the execution (including by sealing) of any transfer, assignment, mortgage, charge or Security Interest or any document required to enable the Security Agent or its nominee to obtain legal title to any Charged Assets in circumstances in which it is entitled to obtain such legal title under the Debenture or the giving of any notice, order or direction.

10. **Power of Attorney: Appointment:** Pursuant to Clause 12.1 (*Appointment*) of the Debenture the Company by way of security irrevocably appointed the Security Agent, every Receiver and every Delegate severally to be its attorney:

(a) to do all acts and things which the Company is obliged to do under the Debenture but has failed to do, including, without limitation, to fill in the name of the transferee and to date and complete any instrument of transfer in respect of any Charged Investments which has been executed in blank by the Company and, in the case of registered Charged Investments, to procure the registration of the transferee as the holder of the relevant Charged Investments in circumstances in which the Charged Investments are to be transferred under the terms of the Debenture;

(b) after the occurrence of an Event of Default which is continuing unremedied and unwaived, to transfer any interest in any Charged Assets in the circumstances in which such transfer may be required under the Debenture including on an enforcement of the Charges over such Charged Assets;

(c) after the occurrence of an Event of Default which is continuing unremedied and unwaived, in its name and on its behalf to exercise any right conferred on the Security Agent, any Receiver or any Delegate in relation to the Charged Assets or under the Debenture; and

(d) to register the existence of the Charges or the restrictions on dealing with the Charged Assets in any register in which the Company is obliged (but has failed) to effect registration under the terms of the Debenture.

11. **Power of Attorney: Ratification:** Pursuant to Clause 12.2 (*Ratification*) of the Debenture the Company agreed to ratify and confirm whatever any such attorney shall do or purport to do in the exercise or purported exercise of the power of attorney granted by Clause 12.1 (*Appointment*) of the Debenture. All moneys expended by any such attorney shall be deemed to be expenses incurred by the Security Agent under the Debenture.

12. **Set Off:** Pursuant to Clause 19.1 (*Set-Off*) of the Debenture, after an Event of Default has occurred and for so long as it is continuing, the Security Agent and each other Finance Party may (without notice to the Company) set off or otherwise apply any deposits (irrespective of the terms applicable to such deposits) at any time held and any other indebtedness (whether or not then matured or due), owing by it to or for the account of the Company against any indebtedness owing to the Security Agent or such other Finance Party

by the Company under the Finance Documents which is due and unpaid.

13. **Set Off: Currency Conversion:** Pursuant to clause 19.2 (*Currency Conversion*) of the Debenture, a Finance Party may exercise such rights notwithstanding that the obligations concerned may be expressed in different currencies and each Finance Party is authorised to convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

14. **Set Off: Rights Cumulative:** Pursuant to Clause 19.3 (*Rights Cumulative*) of the Debenture, Clause 19 (*Set-Off*) of the Debenture shall be in addition to and without prejudice to any rights of set-off or any other rights or remedies which a Finance Party may have.

PART 5

Scheduled Property

Section 1

Details of Scheduled Property

Registered Land

Charging Company	**County and District (or *London Borough*)**	**Address or Description.**	**Title No.**
Freehold			
Waste Recycling Group Limited	Norfolk, South Norfolk	Land near Aldeby Burgh St Peter	NK148249
	Norfolk, South Norfolk	Land at Oaklands, Aldeby	NK295376
Darrington Quarries Limited	North Yorkshire, Selby	Land on the east and west side of Long Lane, Kirk Smeaton, Pontefract	NYK257468 NYK173423 NYK172147
	South Yorkshire, Doncaster	Land on the west side of Long Lane, Barnsdale Bar	SYK432293
	North Yorkshire, Selby	Land lying to the east side of the Great North Road, Barnsdale Bar	NYK185828
	North Yorkshire, Selby	Land at Barnsdale Bar, North Yorkshire	NYK129695
	North Yorkshire, Selby	Land lying to the west of Long Lane, Barnsdale Bar	NYK21907
	North Yorkshire, Selby	Land lying to the north west of Long Lane, Kirk Smeaton	NYK89888
	North Yorkshire, Selby	Land on the east side of Long Lane, Kirk Smeaton.	NYK103360
	North Yorkshire, Selby	Land at Cusworth Hill, Long Lane, Kirk Smeaton	NYK257471

Anti Waste Limited	Norfolk, King's Lynn and West Norfolk	Land on the east side of Mill Drove, Blackborough End	NK183495
	Norfolk, King's Lynn and West Norfolk	Land on the east side of Mill Drove, Blackborough End, King's Lynn	NK183492
Lincwaste Limited	Lincolnshire, Boston	Land at Slippery Gowt, Wyberton	LL100098
T Shooter Limited	Lincolnshire, Boston	Slippery Gowt Farm, Wyberton	LL64185
Waste Recycling Limited	Lincolnshire, Boston	Slippery Gowt Farm, Slippery Gowt Lane, Wyberton, Boston PE21 7AA	LL72814
Waste Recycling Group (Central) Limited	Warwickshire, Warwick	Waverley Wood Farm, Bubbenhall	WK396515
Anti Waste Limited	Cambridgeshire, Huntingdonshire	The Old Station House, Brampton Road, Buckden	CB101172
	Cambridgeshire, Huntingdonshire	Buckden North Landfill site, Brampton Road, Buckden	CB177508
Waste Recycling Limited	Nottinghamshire, Bassetlair	Carlton Forest Sandpit, Red Lane, Carlton-in-Lindrick	NT288458
	Nottinghamshire, Bassetlair	Land at Carlton Forest Quarry, Carlton-in-Lindrick	NT363180
Lincwaste Limited	Lincolnshire, South Kesteven	Land on the South East side of Crabtree Road, Colsterworth	LL150915
	Lincolnshire, South Kesteven	Land on south side of Crabtree Road, Colsterworth	LL78073
Waste Recycling Group (Central) Limited	West Midlands, Sandwell	Land at Hailstone Quarry, Rowley Regis and Edwin Richards Quarry, Warley	WM743828

Anti Waste Limited	Norfolk, Kings Lynn and West Norfolk	Land at Feltwell	NK103121
Lincwaste Limited	Lincolnshire, West Lindsey	Land lying to the north of Causeway Lane, Gainsborough	LL132236
East Waste Limited	Cambridgeshire, East Cambridgeshire	Land at Grunty Fen, Witchford	CB170607
	Cambridgeshire, East Cambridgeshire	Land on the east side of New Road, Grunty Fen, Witchford	CB245992
	Cambridgeshire, East Cambridgeshire	Land at the junction of New Road and Pools Road, Grunty Fen, Witchford	CB232914
	Cambridgeshire, East Cambridgeshire	Land on the north side of Pools Road, Grunty Fen, Witchford	CB245984
Waste Recycling Group (Central) Limited	Warwickshire, Nuneaton and Bedworth	Land and Buildings at Judkins Quarry, Tuttle Hill, Nuneaten	WK393091
Lincwaste Limited	Lincolnshire, East Lindsey	Land on the West side of the road from Coningsby to Kirkby-on-Bain	LL67400
3C Waste Limited	Conwy	Llanddulas Quarry	WA682656
	Conwy	Part of Llanddulas Quarry	WA792865
East Waste Limited	Cambridgeshire, Fenland	Barn Farm House, Hundred Road, March	CB186327
	Cambridgeshire, Fenland	Land on the west side of Hundred Road, March, Cambridgeshire	CB188735
Lincwaste Limited	Lincolnshire, East Lindsey	Middlemarsh Road, Burgh-le-Marsh	LL109770
East Waste Limited	Cambridgeshire, South Cambridgeshire	Land on the north side of the A14, Milton	CB208331

Waste Recycling Limited	Lincolnshire, North Kesteven	Land on west side of Station Road, Skelingthorpe	LL227709
Waste Recycling Group (Central) Limited	Kent, Swale	Part of Shrubsoles Hill, Lower Road, Queenborough	K775276
	Kent, Swale	Land lying to the North of Lower Road, Eastchurch, Sheerness	K775273
Waste Recycling Group Limited	Oxfordshire, Vale of White Horse	Land lying to the North of Hill Farm, Appleford	ON237289
	Oxfordshire, Vale of White Horse	Different parcels of land lying near Appleford	ON237285
	Oxfordshire, Vale of White Horse	Land lying to the South of Appleford Road, Sutton Courtenay	ON194307
Lincwaste Limited	Lincolnshire, North Kesteven	Land at Whisby	LL162969

Charging Company	County and District (or London Borough)	Address or Description.	Title No.
Leasehold			
Waste Recycling Group (Yorkshire) Limited	North Yorkshire, Harrogate	Allerton Landfill site, Knaresborough	NYK252025
3C Waste Limited	Warrington	Arpley Landfill site lying to the north of Moss Lane, Arpley	CH425577
Darrington Quarries Limited	North Yorkshire, Selby North Yorkshire, Selby South Yorkshire, Doncaster	Land lying to the east of the Great North Road at Barnsdale Bar. Land forming part of Long Lane Barnsdale Bar	NYK198308 NYK188418 SYK302590
Waste Recycling Limited	Nottinghamshire, Newark and Sherwood	Land at Lound	NT327680
Waste Recycling Limited	Nottinghamshire, Bassetlaw	Land on the north side of Daneshill Road, Lound	NT327681
Waste Recycling Group Limited	Oxfordshire, West Oxfordshire	Land at Dix Pit, Stanton Harcourt	ON228072
East Waste Limited	Cambridgeshire, East Cambridgeshire	Landfill site on the north side of Pools Road, Grunty Fen, Witchford	CB165953
Waste Recycling Group Limited	Conwy	Part of the Foreshore and bed of the sea at Llysfaen	WA872193
East Waste Limited	Cambridgeshire, Fenland Cambridgeshire, Fenland	Landfill Site on the west side of Hundred Road, March Land and Buildings on west side of Hundred Road, March, Cambridgeshire	CB165942 CB210156
East Waste Limited	Cambridgeshire, South Cambridgeshire	Land on the South West of Butt Lane, Milton	CB166358

Waste Recycling Group Limited	Oxfordshire, Vale of White Horse	Land lying to the North of the Portway, Appleford	ON237287
	Oxfordshire, Vale of White Horse	Land lying to the west of a road leading from Didcot to Long Wittenham, Appleford	BK45594

Unregistered Land

Charging Company	Address or Description	Root conveyance/lease
Freehold		
Lincwaste Limited	Land lying to the North of Causeway Lane, Gainsborough	Conveyance dated 7 July 1982 between West Lindsey District Council (1) and Lincolnshire County Council (2) Conveyance dated 12 November 1976 between A.W. Hewitt and J.C. *Hewitt (1) and Lincolnshire County* Council (2)
Lincwaste Limited	Land on the West side of the road from Coningsby to Kirkby on Bain	Conveyance dated 8th November, 1946 made between H C Rotherby Esq (1) and Woodhall Spa Sand and Gravel Company (Tattershall) Limited (2). Conveyance dated 2nd July 1986 made between Woodhall Spa Sand and Gravel Company (Tattershall) Limited (1) and Lincolnshire County Council (2).
Darrington Quarries Limited	Land on the east and west side of Long Lane, Kirk Smeaton, Pontefract	Conveyance date 11th August 1977 made between John Hinchchiff & Son Limited (1) and Darrington Quarries Limited (2). Conveyance dated 24th September 1982 made between John Hinchchiff & Son Limited (1) and Darrington Quarries Limited (2). Conveyance dated 10th February 1982 made between Henry Thompson (& Others) (1) and Darrington Quarries Limited (2).
Leasehold		
Waste Recycling Group Limited	Dix Pit Stanton, Harcourt, Oxfordshire	Lease dated 31 January 2001 and made between Hanson Quarry Products Europe Limited (1) and Waste Recycling Group Limited (2)

Charging Company	**Address or Description**	**Root conveyance/lease**
Waste Recycling Group Limited	Minerals under land at Hailstone Quarry, Rowley Regis and Edwin Richards Quarry, Rowley	Lease dated 26 August 2001 and made between RR Land Investments Limited (1) and ARC Limited (2)
Waste Recycling Group Limited	Mines, quarries, beds and veins of limestone and associated minerals under 39 acres of Llandulas, Colwyn Bay	Lease dated 18 January 1980 and made between The Queen's Most Excellent Majesty (1) The Crown Estate Commissioners (2) and Powell Duffryn Quarries Limited (3)
Other		
Charging Company	**Address or Description**	**Nature of Interest**
Waste Recycling Limited	Dorkett Head Brickworks, Dorkett Head, Arnold, Notts	Licence dated 14 December 1994 and made between Tarmac Building Materials Limited, (1) and WasteNotts Limited (2)

Section 2

Details of Excluded Properties

Registered Land

Charging Company	County and District (or London Borough)	Address or Description.	Title No.
Freehold			
Integrated Waste Management Limited	North East Lincolnshire	Land lying to the South of Queen's Road, Immingham	HS148313
Integrated Waste Management Limited	North Lincolnshire	Land lying to the west of Top Road, Winterton	HS50877
Integrated Waste Management Limited	North Lincolnshire	Land at Winterton Grange, Winterton	HS151094
Integrated Waste Management Limited	Humberside, Glanford	Land lying southwest of Winterton Grange, Winterton	HS224783
Integrated Waste Management Limited	North Lincolnshire	Land on the North Side of Winterton Grange, Winterton	HS95492
Integrated Waste Management Limited	East Riding of Yorkshire	Land to the north side of Market Weighton Road, Holme upon Spalding Moor (Gallymoor Landfill Site)	HS248015
Integrated Waste Management Limited	East Riding of Yorkshire	Land on the North West side of Moor Lane, Carnaby	HS251957
Integrated Waste Management Limited	East Riding of Yorkshire	Land on the north side of Boothferry Road, Swanland	HS248016
Integrated Waste Management Limited	Humberside, The East Yorkshire Borough of Beverley	Humberfield Farm, Swanland	HS230901
Integrated Waste Management Limited	East Riding of Yorkshire	Humberfield Quarry, Hessle	YEA11095
Integrated Waste Management Limited	City of Kingston upon Hull	Land at Wilmington, Kingston upon Hull	HS248213

Unregistered Land

Charging Company	Address or Description	Root conveyance/lease
Freehold		
Waste Recycling Group (Scotland) Limited	Drummond Moor Landfill Site, Penicuik, Midlothian, EH26 8QF	Disposition dated 26 August and recorded GRS Midlothian 8 September 1971 by the National Coal Board in favour of Her Majesty The Queen.
Integrated Waste Management Limited	Land on the North West side of Moor Lane, Carnaby in the East Riding of Yorkshire and commonly known as Carnaby Landfill Site and Transfer Station	Conveyance dated 12 June 1974 and made between the Secretary of State for Defence (1) and the County Council of Humberside (2)
–	Land and premises at Buck Park Quarry, Whalley Lane, Denholme, West Yorkshire	
Waste Recycling Group (Scotland) Limited	Drummond Moor Landfill Site, Penicuik Midlothian, EH26 8QF	Assignation between Scottish Brick Corporation Limited, Glasgow Iron and Steel Company Limited and SBC Properties Limited dated 10 and 28 June 1986 and Minute of Agreement between the Crown Estate Commissioners, British Coal Corporation and Glasgow Iron & Steel Company dated 19 August and 15 and 24 September 1987.
Integrated Waste Management Limited	Land at Winterton	Conveyance dated 10 April 1980 made between British Steel Corporation (1) and The County Council of Humberside (2). Conveyance dated 30 April 1980 made between Mrs D J Hutchinson and Others (1) and The County Council of Humberside (2). Conveyance dated 3 February 1984 made between Mr Robin James Harry Sumpter and Mr Colin Thomson (1) and The County Council of Humberside (2).

Section 3

Details of Leasehold Restricted Properties

Registered Land

East Waste Limited	Cambridgeshire, South Cambridgeshire	Land on the North side of A45 Milton	CB165951
Waste Recycling Group Limited	Oxfordshire, Vale of White Horse	Roadway at Hill Farm, Appleford, Sutton Courtenay	ON227970
	Oxfordshire, Vale of White Horse	Roadway at Hill Farm, Appleford Sutton Courtenay	ON237729
	Oxfordshire, Vale of White Horse	office premises lying to west of main road, Sutton Courtenay	ON237293 ON237295
Lincwaste Limited	Lincolnshire, North Kesteven	Land at Whisby	LL163272
Waste Recycling Group Limited	Oxfordshire, Vale of White Horse	Railway Sidings at Sutton Courtney	ON237294 ON237296

Unregistered Land

Lincwaste Limited	Land and Quarry forming and being part of Leadenham Stone Quarry situated to the West of Pottergate Road, near Leadenham, Lincolnshire	Lease dated 21st December 1988 and made between H N F Sandford & J J Ware (1) and Lincolnshire County Council (2) and a further Lease dated 5th March, 1997 made between H N F Sandford & J J Ware (1) and Paul Rackham Limited (2).

PART 6

Scheduled Investments

Section 1

Scheduled Investments

Investment	Company Number	Shareholding (Percentage)
Anti Rubbish Limited	1567453	100
Anti-Waste (Restoration) Limited	2993753	100
Waste Recycling Group (Yorkshire) Limited	2436946	100
Darrington Quarries	0579409	100
Lincwaste Limited	2668959	100
Advanced Natural Fuels Limited	3113179	100
Humberside Waste Management Services Ltd	3187411	100
Wastewise Limited	2972257	100
Wastewise Power Limited	3648462	100
Wastewise Trustees Limited	2992793	100
Winterton Power Limited	3001798	100
Kent Enviropower Limited	2894377	100
3C Waste Limited	2632581	100
Arpley Gas Limited	2250123	99.97
Landfill Management Limited	2069821	100
GWS (Holdings) Limited	3154424	100
WasteNotts (Reclamation) Limited	2674169	100
Site & Field Equipment Limited	2089584	100
T Shooter Limited	02008873	100
WRG (Central) Limited	4000033	100
WRG (South West) Limited	02464345	100
Oxfordshire Waste Limited	02693394	100
Econowaste Limited	495545	100
Kent Energy Limited	03146731	100
Meadshores Limited	2335918	100
Herrington Limited	02830895	100
Integrated Waste Management Limited	02433703	100
Arnold Waste Disposal Limited	00930757	100
Arpley Gas Limited	2250123	0.03
Pennine Waste Management Limited	3057012	100
Waste Recycling Limited	02674166	100
3C Holdings Limited	3610048	100
WRG (Scotland) Limited	SC210275	100
Anti-Waste Limited	01569257	100
East Waste Limited	02629972	100
Norfolk Waste Limited	03001490	100
Waste Recovery Limited	02411841	100
WasteNotts Limited	2629246	100
Finstop Limited	03188850	100

Section 2

Excluded Joint Ventures

Shareholder	Excluded Joint Venture	Company Number
Waste Recycling Group (Central) Limited	Shelford Composting Limited	3968180
Waste Recycling Group Limited	BDR Waste Disposal Limited	2692495
Waste Recycling Group Limited	Derbyshire Waste Limited	2666323
Waste Recycling Group Limited	Welback Waste Management Limited	2736095
Integrated Waste Management Limited	Paper Product Developments Limited	3013388
Waste Recycling Group Limited	Energylinc Limited	2959326
Waste Recycling Group Limited	CLWR Management 2001 Limited	4266133
Integrated Waste Management Limited	Goole Renewable Energy Limited	3707832

FILE COPY

CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03188850

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 12th AUGUST 2003 AND CREATED BY FINSTOP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE OF EACH OBLIGOR TO THE SECURITY AGENT AND/OR THE FINANCE PARTIES AND/OR ANY RECEIVER 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 AUGUST 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 27th AUGUST 2003.

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

Companies House
for the record

HC026B