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* Insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £10 (£13 for forms delivered on or after 1 February 2005) 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

☐ ☐ 2

03528745

Name of company

*HLC (NEATH PORT TALBOT) LIMITED, a company registered in England and Wales and having its registered office at Material Recovery and Energy Centre, Crymlyn Burrows, Swansea, Neath Port Talbot, SA1 8PZ (the "Chargor")

Date of creation of the charge

22 June 2005

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

Chattel Mortgage (the "Charge")

Amount secured by the mortgage or charge

The Secured Obligations.

See Paper Apart 2 for Definitions.

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

THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND, incorporated by Act of Parliament and having its Head Office at The Mound, Edinburgh, as security trustee for the Senior Creditors (the "Security Trustee")

Postcode EH1 1YZ

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

Dundas & Wilson CS LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EN

For official use (02/00)
Mortgage Section

Post room



SCT
COMPANIES HOUSE

SEVCL6DK

0109
23/06/05

Time critical reference

GEH/QAA/MPS/BOS001.1832

Short particulars of all the property mortgaged or charged

See Paper Apart 1.

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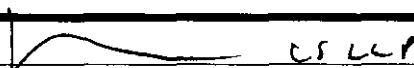
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A fee is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

Particulars as to commission allowance or discount (note 3)

N/A

Signed



Date

23/6/05

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

Notes

† Delete as
appropriate

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. A fee of £10 (£13 for forms delivered on or after 1 February 2005) is payable to Companies House in respect of each register entry for a mortgage or charge. 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 CF4 3UZ.

This is the Paper Apart 1 referred to in the foregoing Form 395 in respect of a Chattel Mortgage dated 22 June 2005 granted by HLC (Neath Port Talbot) Limited in favour of The Governor and Company of the Bank of Scotland.

1. Secured Obligations

The Chargor covenants that it will make payment to the Security Trustee, and will discharge the Secured Obligations at the time and in the manner provided in the relevant Finance Document, provided that every payment by the Chargor made to the relevant Senior Creditors in respect of a Secured Obligation of the Chargor shall operate in satisfaction *pro tanto* of the covenant by the Chargor contained in Clause 2 of the Charge.

(the above paragraph 1 is Clause 2 of the Charge)

2. Mortgage

- a. The Chargor as beneficial owner with full title guarantee, as a continuing security for the payment and discharge of the Secured Obligations, charges by way of first legal mortgage to the Security Trustee:-
- b. the Assets; and
- c. its right, title, benefit and interest both present and future and at any time (in each of) any proceeds of sale, insurance policies and any proceeds of claim in relation thereto, maintenance contracts, guarantees, manuals, licences, certificates, records and other documents (including any conditions, obligations and warranties by any party) in respect of or relating to the Assets.

(The above paragraph 2 is Clause 3.1 of the Charge and the above paragraph (c) is Clause 3.1.2 of the Charge)

3. Fixed charge pursuant to the Debenture

The fixed charges referred to in Clause 3.1 of the Debenture shall apply to the Mortgaged Assets only to the extent that the Mortgaged Assets are not for any reason subject to the legal mortgage by virtue of the Charge.

This is the Paper Apart 2 referred to in the foregoing Form 395 in respect of a Chattel Mortgage dated 22 June 2005 granted by HLC (Neath Port Talbot) Limited in favour of The Governor and Company of the Bank of Scotland.

In the interpretation of this Form 395:

Account Bank Agreement means the account bank agreement, in the approved form, made, or to be made, between (1) the Borrower, (2) the Account Bank, (3) the Agent and (4) the Security Trustee;

Assets means all of the goods, chattels, plant, machinery, or other equipment already acquired or hereafter to be acquired by the Chargor, more particularly described in the Schedule to the Charge including all components and parts thereof and additions, alterations, accessories, replacements and renewals of any component(s) or part(s) thereof;

Borrower means the Chargor;

Credit Agreement means the credit agreement dated 5 September 2000 between, (1) the Chargor, (2) the Arranger, (3) the Term Loan Banks, (4) the Account Bank, (5) the Security Trustee and (6) the Agent (all as defined therein);

Debenture mean the debenture dated 5 September 2000 by the Chargor in favour of the Security Trustee as trustee for the Senior Creditors;

Direct Agreements means:

- (a) the Construction Contract Direct Agreement;
- (b) the Council Direct Agreement;
- (c) the Operator's Direct Agreement;
- (d) the Landfill Disposal Direct Agreement;
- (e) the WTE Sub-Contract Direct Agreement;
- (f) the Process Plant Sub-Contract Direct Agreement;
- (g) the Civils Sub-Contract Direct Agreement;
- (h) the Compost Sub-Contract Direct Agreement; and
- (i) such other agreements as may be entered into from time to time as required by the Agent pursuant to Clause 12.3(k) of the Credit Agreement between, among others, the Borrower, the Security Trustee and any counterparty to a

Project Document which provides, among other things, for the limitation on such counterparty's rights under such project document,

and **Direct Agreement** means any of them;

Equity Contribution Amount L/Cs means the irrevocable standby letters of credit issued by each Equity Support Party to the Security Trustee, in substantially the form set out in schedule 13 to the Credit Agreement or in such other form as the Security Trustee may agree, securing the obligations of the Sponsors to pay the Equity Contribution Amount to Holdings as required and pursuant to the terms of the Equity Subscription Agreement;

Fee Letters means:

- (a) the letter of the same date as this Agreement from the Arranger to the Borrower in relation to the arrangement fee referred to in Clause 9.1(a) of the Credit Agreement~~Error! Reference source not found.~~, being described on its face as the Arranger's Fee Letter; and
- (b) the letter of the same date as this Agreement from the Agent (as Agent, Security Trustee and Account Bank) to the Borrower in relation to the agency fee, security trustee and account bank fee referred to in Clause 9.1(b) of the Credit Agreement, being described on its face as the Agent's Fee Letter,

and **Fee Letter** means anyone of them;

Finance Documents means:

- (a) the Account Bank Agreement;
- (b) the Credit Agreement;
- (c) each Direct Agreement;
- (d) each Equity Contribution Amount L/C;
- (e) the Lawdac Account Charge;
- (f) each Fee Letter;
- (g) the Hedging Agreement;
- (h) the Intercreditor Agreement;
- (i) the counter-indemnity from the Chargor in favour of Bank of Scotland in respect of the guarantee of Bank of Scotland given to Bank of Scotland Treasury Services in respect to the Hedging Agreement;
- (j) the Bank's Technical Advisers' Appointment;

- (k) each Security Document;
- (l) any other document amending or replacing any of the above; and
- (m) any other document which the Agent and the Chargor agree should be designated a Finance Document (all as defined in the Credit Agreement);

Hedging Agreements means:

- (a) any agreement between the Borrower and a Hedge Provider under which each party assumes a liability to make a payment or payments to the other on future specified dates calculated by reference to the value of a notional amount multiplied by a specified rate of interest for a specified period or periods as against the notional amount of the same or (if a currency swap) another amount multiplied by a different specified rate of interest for the same or different periods;
- (b) any other agreement between the Borrower and a Hedge Provider in relation to the hedging of floating rate interest rate exposure including a cap, floor, collar or option; and

any agreement between the Borrower and a Bank pursuant to which the Borrower counter-indemnifies a Bank to the extent that such Bank guarantees the Borrower's obligations to a Bank Hedging Affiliate under a Hedging Agreement;

Intercreditor Agreement means the intercreditor agreement dated 5 September 2000 between, among others, (1) the Chargor, (2) the Agent, (3) the Security Trustee, (4) Bank of Scotland Treasury Services plc and (5) the Shareholders;

Lawdac Account Charge has the meaning given to it in the Intercreditor Agreement;

Mortgaged Assets means the Assets together with all of the right, title, benefit and interest referred to in Clause 3.1.2 of the Charge;

Secured Obligations means all monies, obligations and liabilities whether actual or contingent, now or hereafter due, owing or incurred by the Chargor to any Senior Creditor under any Finance Document.

Security Document means:

- (a) the Debenture;
- (b) the Share Mortgage and Floating Charge; and
- (a) such other documents as may be entered into from time to time by the Borrower or any other person in order to secure the Borrower's obligations under or in connection with the Finance Documents;

Senior Creditors has the meaning given to it in the Intercreditor Agreement.

Site means the land to be demised to the Chargor by Neath Port Talbot County Borough Council and its successors in title as Waste Disposal Authority more particularly described in the Lease.

Waste Management Centre means the integrated waste management centre incorporating a materials recycling facility, a composting facility and the Waste to Energy Plant and all associated facilities forming part of the works on the Site.

This is the Schedule to the Chattel Mortgage dated 22 June 2005 granted by HLC (Neath Port Talbot) Limited in favour of The Governor and Company of the Bank of Scotland.

**DESCRIPTION OF GOODS, CHATTELS, PLANT, MACHINERY OR OTHER EQUIPMENT
MORTGAGED**

Plant Area	Plant Section	Asset Number (the Borrower has indicated to the Security Trustee that these numbers appear on each respective item)	Description
Process Plant	Front End	M001	Plate feeder
Process Plant	Front End	M002	Bag splitter
Process Plant	Front End	M003	Primary screen feed conveyor
Process Plant	Front End	M004	Inline weigher
Process Plant	Front End	M005	Primary screen
Process Plant	Picking /Organics	50 - 51	Fines reject conveyor
Process Plant	Picking /Organics	100	Organics conveyor
Process Plant	Picking /Organics	300	Coarse picking conveyor
Process Plant	Picking /Organics	400	Oversize picking conveyor
Process Plant	Picking /Organics	101	Ballistic conveyor

Plant Area	Plant Section	Asset Number (the Borrower has indicated to the Security Trustee that these numbers appear on each respective item)	Description
Process Plant	Picking /Organics	202	Compost feed conveyor
Process Plant	Picking /Organics	203	Compost inline weigher
Process Plant	Picking /Organics	208	Compost change over chute
Process Plant	Front End	600	Overband Fe magnet 1
Process Plant	Fe Separation	601	Overband Fe magnet 2
Process Plant	Fe Separation	602	Overband Fe magnet 3
Process Plant	Fe Separation	603	Ferrous collecting conveyor no.1
Process Plant	Fe Separation	604	Ferrous collecting conveyor no.2
Process Plant	Fe Separation	605	Fe densifier
Process Plant	Fe Separation	605A	Explosive suppressant system
Process Plant	Fe Separation	606	Vibrating feeder
Process Plant	Fe Separation	607	Magnetic separating drum
Process Plant	Non Fe Separation	650	Non Fe vibrating feeder no.1
Process Plant	Non Fe Separation	651	Non Fe Separator no.1

Plant Area	Plant Section	Asset Number (the Borrower has indicated to the Security Trustee that these numbers appear on each respective item)	Description
Process Plant	Non Fe Separation	653	Non Fe vibrating feeder no.2
Process Plant	Non Fe Separation	654	Non Fe separator no.2
Process Plant	Non Fe Separation	656	Non Fe collecting conveyor
Process Plant	Non Fe Separation	657	Non Fe picking conveyor
Process Plant	Non Fe Separation	658	Can crusher
Process Plant	Pulveriser	401	Pulverisor feed conveyor
Process Plant	Pulveriser	402	Primary pulverisor
Process Plant	Pulveriser	402A	Explosive suppresant system
Process Plant	Pulveriser	403	Primary pulverisor discharge conveyor
Process Plant	dRDF Production	501	RDF screen
Process Plant	dRDF Production	502	RDF oversize reversing conveyor
Process Plant	dRDF Production	503	RDF elevating conveyor
Process Plant	dRDF Production	504	RDF classifier system fan
Process Plant	dRDF Production	504-B	RDF classifier rotary valve

Plant Area	Plant Section	Asset Number (the Borrower has indicated to the Security Trustee that these numbers appear on each respective item)	Description
Process Plant	dRDF Production	504-C	RDF classifier
Process Plant	dRDF Production	505	Surge hopper with multi screws
Process Plant	dRDF Production	506	Distributing conveyor
Process Plant	dRDF Production	508	Slide valves
Process Plant	dRDF Production	507	Collecting screws
Process Plant	dRDF Production	509	UMT Paladin, model P1600ES/WP-175 pelletising press No CM5624/1
Process Plant	dRDF Production	510	UMT Paladin, model P1600ES/WP-175 pelletising press No CM5624/2
Process Plant	dRDF Production	511	RDF collection conveyor
Process Plant	dRDF Production	512	RDF bucket elevator
Process Plant	dRDF Production	513	RDF distribution conveyor
Process Plant	dRDF Production	514	RDF inline weigher
Process Plant	Process De- Duster	800	Process de duster
Process Plant	Reception De- Duster	801	Reception de duster
Process Plant	Green Shred	204	Green waste shredder and feeder

Plant Area	Plant Section	Asset Number (the Borrower has indicated to the Security Trustee that these numbers appear on each respective item)	Description
Process Plant	Green Shred	204A	Green waste shredder discharge conveyor
Process Plant	Green Shred	204B	Green waste shredder discharge conveyor
Process Plant	Green Shred	205	Green waste conveyor
Process Plant	Green Shred	206	Green waste in line weigher
Process Plant	Green Shred	207	Compost temporary storage conveyor
Compost Plant	Refining Unit	2-101	Metering screw
Compost Plant	Refining Unit	2-102	Troughed chain conveyor
Compost Plant	Refining Unit	2-103	Vibrating screen separator
Compost Plant	Refining Unit	2-104	Troughed chain conveyor reject materials
Compost Plant	Refining Unit	2-105	Troughed chain conveyor
Compost Plant	Refining Unit	2-106	Opening pusher fraction
Compost Plant	Refining Unit	2-108	Rotating shovel
Compost Plant	Refining Unit	2-109	Dust filter
Compost Plant	Refining Unit	2-110	Spiral conveyor dust filter

Plant Area	Plant Section	Asset Number (the Borrower has indicated to the Security Trustee that these numbers appear on each respective item)	Description
Compost Plant	Refining Unit	2-111	Rotating shovel dust filter
Compost Plant	Refining Unit	2-112	Troughed chain conveyor dust filter
Compost Plant	Refining Unit	2-113	Sieve drum
Compost Plant	Refining Unit	2-120	Main ventilator
Compost Plant	Refining Unit	2-123	Compressor
Compost Plant	Refining Unit	2-123	Air cooler
Compost Plant	Tunnel Input Machinery	1-01_	Compost infeed conveyor
Compost Plant	Tunnel Input Machinery	1-02_	Infeed shuttle conveyor
Compost Plant	Tunnel Input Machinery	1-02_	Collecting conveyor discharge
Compost Plant	Tunnel Input Machinery	1-13_	Ascending conveyor to fine screening
Compost Plant	Tunnel Input Machinery	1-14_	Sieve drum
Compost Plant	Tunnel Input Machinery	1-15_	Shift back ascending conveyor
Compost Plant	Tunnel Input Machinery		Tunnel infeed bridge conveyor
Compost Plant	Tunnel Discharge Machinery		Tunnel discharge device

Plant Area	Plant Section	Asset Number (the Borrower has indicated to the Security Trustee that these numbers appear on each respective item)	Description
Compost Plant	Ventilation System		C A fan
Compost Plant	Ventilation System		Hall fan
Compost Plant	Ventilation System		Bio filter fan no.1
Compost Plant	Ventilation System		Bio filter fan no.2
Compost Plant	Ventilation System		Humidifier
Compost Plant	Water System	AP 001	TSS pump
Compost Plant	Water System		Bow sieve
Compost Plant	Water System	CL001	Main waste water reservoir
Compost Plant	Water System	CL 002	Pump pit bow sieve
Compost Plant	Water System	CL003	Curing area discharge pit
Compost Plant	Water System		Humidifier
Compost Plant	Water System	AA 303	Valve filling
General	Fire Pump House	FP 01	Diesel pump set
General	Fire Pump House	FP02	Electric pump set

Plant Area	Plant Section	Asset Number (the Borrower has indicated to the Security Trustee that these numbers appear on each respective item)	Description
General	Fire Pump House	FP03	Jockey pump set
General	Fire Pump House	FP04	Sprinkler riser 1
General	Fire Pump House	FP05	Sprinkler riser 2
General	Amnety Building	AB01	Lift
General	Substation	SS1	110v battery supply
Process Plant	Secondary Line	925	Reception waste conveyor
Process Plant	Secondary Line	926	Elevating conveyor
Process Plant	Secondary Line	927	Screen feed conveyor
Process Plant	Secondary Line	929	Screenings conveyor
Process Plant	Secondary Line	928	Star screen
Process Plant	Secondary Line	930	Picking conveyor
Process Plant	Secondary Line	931	Permanent magnet
Process Plant	Secondary Line	932	In line weigher
Power Plant			2 RDF incinerators, complete with walking grate, ash removal, flues and connections

Plant Area	Plant Section	Asset Number (the Borrower has indicated to the Security Trustee that these numbers appear on each respective item)	Description
Power Plant			2 Shell tube steam boilers and connections
Power Plant			2 Shell tube steam super heaters and connections
Power Plant			Peter Brotherhood 7B condensing turbine, No T155725 and connection to AVK type DIG 150 LV4 S125KVA, alternator No 8424475 A101
Mobile Plant			JCB Loadall 526 telescopic handler, Engine No J254451J with bucket, forks, baling grab and road sweeper attachment
Mobile Plant			JCB Wastemaster 436 front shovel loader, No SLP436 Z02E0533980
Mobile Plant			JCB Toolcarrier 436 front shovel loader, No Z02E0533979
Mobile Plant			Iveco Eurotrekker lorry, registration No R110 RNK, with Boughton hook type skip loader

Note:

"Fe" means Ferrous

"Non Fe" means Non-Ferrous

"RDF" means Refuse Derived Fuel

"dRDF" means densified Refuse Derived Fuel

Each item referred to in this Schedule is located at the Waste Management Centre.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03528745

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHATTEL MORTGAGE DATED THE 22nd JUNE 2005 AND CREATED BY HLC (NEATH PORT TALBOT) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ANY SENIOR CREDITOR 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 23rd JUNE 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 28th JUNE 2005.

Pangella.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —