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COMPANIES FORM No. 395

A 00400150

HTM

Particulars of a mortgage or charge

395

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

CHFP025

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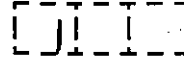
Please complete legibly, preferably in black type, or bold block lettering

*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

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

For official use Company number



5719062

Name of company

* WRG OPERATIONS 2 LIMITED

Date of creation of the charge

18 April 2006

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

Second ranking debenture creating fixed and floating charges dated 18 April 2006 made between, among others, WRG Operations 2 Limited and the Bank of New York as Second Secured Note Trustee

Amount secured by the mortgage or charge

Please see Part 1 of the attached continuation sheets.

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

The Bank of New York
One Canda Square, London
Attn: Corporate Trust

Postcode E14 5AL

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

Slaughter and May (Ref: PCS/PCG)

One Bunhill Row

London

EC1Y 8YY

PLEASE RETURN VIA
CH LONDON COUNTER

For official Use (02/00)

Mortgage Section

Post room



LD6
COMPANIES HOUSE

292
21/04/2006

Time critical reference

Short particulars of all the property mortgaged or charged

Please see Part 2 of the attached continuation sheets.

Please see Part 3 of the attached continuation sheets for definitions used.

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write in
this margin

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

Particulars as to commission allowance or discount (note 3)

N/A

Signed Skene, L. and Mary

Date 21/4/2006

On behalf of [company] ~~XXXXXXXXXXXX~~ †

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

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 £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must 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: Amount secured by the mortgage or charge

The payment and discharge of all present and future obligations and other liabilities of any nature of the Debenture Obligors, owing or incurred under the Second Secured Note Documents (or any of them) to the Second Secured Creditors and/or any Receiver (including, without limitation, under any amendments, supplements or restatements of any of the Second Secured Note Documents or in relation to any further issues of Second Secured Notes under the Second Secured Note Documents), and whether indebtedness or liabilities originally owed to all or any of the Second Secured Creditors 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, after as well as before judgment, and all costs, charges and expenses incurred in connection therewith which are payable by the relevant Debenture Obligor in accordance with the terms of the Second Secured Note Documents, in each case, and notwithstanding any other provision of this Deed, except for any obligations or liabilities which, if they did form part of the Second Secured Note Liabilities, would result in this Deed (or any part thereof) constituting unlawful financial assistance in contravention of section 151 of the Companies Act 1985 (these liabilities being the **"Second Secured Note Liabilities"**).

If a Charging Company fails to pay any Second Secured Note Liabilities on the date on which they fall due for payment by it, such Charging Company shall on demand pay to the Second Secured Note Trustee, interest on all such amounts from the due date until the date of payment (both before and after judgment) calculated and payable in accordance and in the manner specified in the Second Secured Note Indenture.

Part 2: Particulars of all the property mortgaged or charged

1. Property

Each Charging Company hereby charges and agrees to charge:

(a) by way of second legal mortgage, the Scheduled Property in respect of which it is listed in Schedule 1 to this Part 2 as the Charging Company other than any Leasehold Restricted Property in relation to which the provisions relating to Leasehold Restricted Property shall apply; and

(b) by way of second 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 any Leasehold Restricted Property.

2. Investments

Each Charging Company charges by way of second fixed charge all of its Investments (including the Scheduled Investments) now or subsequently belonging to it or held by any nominee on its behalf.

3. Book Debts

Subject to Clause 3.1 (Book Debts) of this Part 2, each Charging Company charges by way of second fixed charge, all rights which it may have now or subsequently in respect of any Book Debts.

3.1 Book Debts

Except when the Charges are enforceable, any moneys in respect of the Book Debts received by any Charging Company shall be automatically released from the fixed charge created by Clause 3 (Book Debts) of this Part 2 and shall only be subject to the floating charge created by Clause 10 (Floating Charge) of this Part 2 and the relevant Charging Company shall be free to apply those monies as it sees fit subject to any applicable restrictions set out in the Second Secured Note Documents.

4. Intellectual Property

Each Charging Company charges (to the extent not prohibited to do so by the terms on which such Intellectual Property is held by it) by way of second fixed charge all rights in respect of Intellectual Property now or subsequently belonging to it.

5. Plant and Machinery

Each Charging Company charges by way of second fixed charge all of its Personal Chattels now or subsequently belonging to such Charging Company and its interest in any such Personal Chattels in its possession.

6. Contracts

Subject to Clause 6.1 (Payments under Contracts) of this Part 2, each Charging Company charges and agrees to charge by way of second fixed charge all its rights (including, without limitation, the right to receive any compensation) now or subsequently of such Charging 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 this Clause 6) but excluding any Excluded Contract in relation to which the provisions relating to Excluded Material Contracts shall apply.

6.1 Payments under Contracts

Except when the Charges are enforceable, any monies in respect of the Material Contracts or other matters referred to in Clause 6 (Contracts) of this Part 2 or 8(c) (Other Charges) of this Part 2 (together the "**Relevant Contracts**") received by any Charging Company shall be automatically released from the fixed charge created by Clause 6 (Contracts) of this Part 2 and shall only be subject to the floating charge created by Clause 10 (Floating Charge) of this Part 2 and the relevant Charging Company shall be free to apply those monies and exercise its rights under the Relevant Contracts as it sees fit, subject to any applicable restrictions set out in the Second Secured Note Documents

7. Pension Fund

Each Charging Company charges (to the extent not prohibited to do so by the terms applicable to such interests, claims or rights) by way of second fixed charge any interest, claim or right which it has now or subsequently in respect of any pension fund or plan.

8. Other Charges

Each Charging Company charges by way of second fixed charge:

- (a) all its uncalled capital;
- (b) all its goodwill; and
- (c) subject to Clause 6.1 (Payments under Contracts) of this Part 2, 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).

9. Charge over Relevant Documents

(a) Prior to the Senior Discharge Date, each Charging Company hereby charges by way of fixed charge all the rights and interest present or future of such Charging Company in respect of the Relevant Documents (other than any Insurances which relate to any third party liability, employees' liability, public liability or any directors and officers insurance (together, the "**Excluded Insurances**")) together with the benefit of all its rights, claims and remedies in respect of such Relevant Documents.

(b) Following the Senior Discharge Date, each Charging Company hereby assigns by way of security (subject to the right to reassignment on redemption) and, in the case of any Insurances which constitute an Excluded Material Contract, to obtaining the relevant third party consent in accordance with the provisions relating to Excluded Material Contracts to the Second Secured Note Trustee all rights and interest present or future of such Charging Company in respect of the Relevant Documents (other than any Insurances which relate to any third party liability, employees' liability, public liability or any directors and officers insurance (together, the "**Excluded Insurances**")) together with the benefit of all its rights, claims and remedies in respect of such Relevant Documents.

(c) Until the Charges are enforceable and the Second Secured Note Trustee serves a notice to the contrary in accordance with a Notice of Document Charging or Notice of Document Assignment, each Charging Company shall be entitled to exercise all its rights in the Relevant Documents, subject to the provisions of the Intercreditor Deed and the other provisions of this Deed.

10. Floating Charge

Each Charging Company charges by way of second floating charge, its undertaking and all its assets both present and future not otherwise effectively mortgaged, charged or assigned by this Deed (other than the Leasehold Restricted Properties, the Excluded Contracts, the Excluded Insurances, and the Excluded Accounts). The floating charge created by each Charging Company under this Clause shall:

(i) except as otherwise agreed in writing by the Second Secured Note Trustee and subject to the Senior Security, rank in priority to any other Lien which shall subsequently be created or permitted to arise by such Charging Company (other than any Lien as permitted under sub-clauses (c), (e), (f), (g), (j), (v), and to the extent that it applies only applies to any Lien described in sub-clauses (c), (e), (f), (g), (j) and (v), sub-clause (w) of the definition of "Permitted Liens" set out in the Second Secured Note Indenture) or any Lien created by a Receiver appointed under this Deed; and

(ii) be a qualifying floating charge for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

Negative Pledge covenant:

(a) Except with the consent of the Second Secured Note Trustee, each Charging Company shall not:

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

(ii) 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 Second Secured Note Documents.

SCHEDULE 1
Part 1
Scheduled Property

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Part 2
Details of Leasehold Restricted Properties

[DELIBERATELY BLANK]

SCHEDULE 2
Details of the Scheduled Investments

[DELIBERATELY BLANK]

Part 3: Definitions

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

"Acquisitions Loan Note Cancellation and Reissue Deed" means the deed in the agreed form dated on or prior to the Second Restatement Date between WRG Acquisitions PLC, WRG Finance PLC and WRG Investments Limited in relation to, inter alia, the cancellation of the Acquisitions Loan Notes issued to WRG Investments Limited and the re-issue of the Acquisitions Loan Notes in amended form to WRG Finance PLC on the Second Restatement Date;

"Acquisitions Loan Notes" means the zero coupon subordinated loan notes in the agreed form issued or to be issued on or prior to the First Drawing Date as cancelled and re-issued on the Second Restatement Date pursuant to the Second Restatement Acquisitions Loan Note Instrument and the Acquisitions Loan Note Cancellation and Reissue Deed;

"Advances" means amounts advanced under the tranches of the Senior Facilities Agreement;

"Ancillary Documents" means the documents setting out the terms on which the Ancillary Facilities are made available;

"Ancillary Facilities" means working capital facilities made available by a Revolving Lender by redefinition of a portion of its Revolving Commitment;

"Ancillary Lender" means a Revolving Lender in its capacity as provider of Ancillary Facilities;

"Ancillary Limit" means, in relation to an Ancillary Lender, the maximum amount (excluding accrued uncapitalised interest, fees and like charges) which it has agreed to make available by way of Ancillary Facilities as varied from time to time in accordance with the Senior Facilities Agreement and the Ancillary Documents;

"Applicable GAAP" means accounting principles, standards and practices generally accepted from time to time in the United Kingdom;

"Book Debts" means all book and other debts and monetary claims now or subsequently due or owing to each Charging Company, the proceeds of the same and the benefit of all Investments, Liens and guarantees or other rights of any nature now or subsequently enjoyed or held by it in relation thereto;

"Borrower" means a borrower under the Senior Facilities Agreement;

"Charged Assets" means the assets from time to time the subject of any Liens created or purported to be created by or pursuant to this Deed and, where the context permits, the proceeds of sale of such assets;

"Charges" means Liens from time to time created by or pursuant to this Deed;

"Charging Company" means WRG Operations 2 Limited and WRG Guarantee Company Limited and WRG Operations 1 Limited;

"Court Order" means an order of the court sanctioning the Scheme under section 425 of the Companies Act 1985 and confirming the reduction of share capital of the Target under section 137 of the Companies Act 1985;

"Debenture Obligors" means the Charging Companies and any subsidiary of the Charging Companies that gives any guarantee or creates any Liens in favour of the Second Secured Note Trustee or any other Second Secured Creditor in respect of the Second Secured Note Liabilities (or any of them);

"Deed" means a second ranking debenture dated 18 April 2006 and made between, amongst others, WRG Operations 2 Limited as a Charging Company and The Bank of New York as Second Secured Note Trustee;

"Drawing" means a utilisation by a borrower under the Senior Facilities Agreement of facilities available under the Senior Facilities Agreement;

"Effective Date" means the date on which the Court Order is filed at Companies House;

"Election" means an election made by WRG Acquisitions PLC (and notified in writing to the Joint Mandated Lead Arrangers) to undertake the acquisition of the Target Shares by way of Offer rather than pursuant to the Scheme provided that if, at the time of the Election, the *Scheme Press Release has been issued and the Offer price for the Target Shares is higher than the price per share at which the Scheme was proposed*, then such increase in the price per Target Share is funded from a Private Equity Contribution;

"Environment 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" means:

(a) each of the following granted by Anti-Waste Limited:

(i) deed of charge dated on or about 25 October, 1995 in favour of Cambridgeshire County Council;

(ii) deed of charge dated on or about 25 October, 1995 in favour of Cambridgeshire County Council;

(iii) deed of charge dated on or about 11 December, 1995 in favour of Norfolk County Council;

(iv) deed of charge dated on or about 15 December, 1995 in favour of Norfolk County Council;

(v) deed of charge dated on or about 4 March, 1996 in favour of Norfolk County Council;

(vi) deed of charge dated on or about 23 February, 1996 in favour of Cambridgeshire County Council;

(vii) two deeds of charge dated on or about 31 December, 1996 in favour of the Environment Agency;

(viii) deed of charge dated on or about 26 February, 1998 in favour of the Environment Agency,

and any similar type of obligations of any member of the Group that exist on the Effective Date or, in the event of an Election, the Unconditional Date and, in each case, the Security Interests constituted thereby provided the aggregate principal amount of the sums deposited pursuant to the arrangements under this paragraph (a) shall not exceed £10,000,000; and

(b) any other Security Interest granted by a member of the Group to:

(i) a Local Authority or the Environment Agency securing similar obligations as are secured under the deeds of charge referred to in paragraph (a) above or, in the case of the Environment Agency only, relate to financial provisioning requirements imposed by the Environment Agency; or

(ii) any landlord of any site occupied by a member of the Group in respect of remediation and aftercare obligations of such member of the Group, provided that:

(A) any amounts referred to in (b)(i) above shall be funded by Drawings under the Revolving A Facility; and

(B) the aggregate principal amount of the sums deposited pursuant to arrangements under (b)(ii) shall not exceed £5,000,000;

"Excluded Accounts" means any bank account which is subject to Escrow Security as defined in the Senior Facilities Agreement;

"Excluded Contract" means an agreement the terms of which either preclude absolutely a Charging Company from creating any Lien 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 Lien or to the assignment of such rights and such consent shall not have been previously obtained;

"Excluded Material Contract" means that until the relevant consent has been obtained, there shall be excluded from the Charge created by Clause 6 (Contracts) of Part 2 of these continuation sheets and from the floating charge created by Clause 10 (Floating Charge) of Part 2 of these continuation sheets and from the operation of the further assurance provisions, any

rights, title, assets, benefits or interest enjoyed by a Charging Company under a Material Contract and/or any Insurances which constitutes an Excluded Contract;

"Existing Debenture Amendment Deed" means the amendment deed in respect of the First Stage Debenture, the Second Stage Debenture, the Third Stage Debenture, the Shanks First Stage Debenture and the Shanks Second Stage Debenture, between certain members of the Group and the Security Agent dated on or prior to the Second Restatement Date;

"Final Tranche B Repayment Date" means the date falling six years after the Second Restatement Date;

"Finance Parties" means each joint mandated lead arranger, the shanks sole mandated lead arranger, each second restatement mandated lead arranger, the facility agent, each syndication agent, the shanks syndication agent, each second restatement syndication agent, the security agent, each lender, each ancillary lender, each issuing lender and each hedging lender, as each are defined in the Senior Facilities Agreement;

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed (including overdrafts); or
- (b) money raised pursuant to any debenture, bond (other than a performance bond issued in the ordinary course of business by one member of the Group in respect of the obligations of a member of the Group), note or loan stock or other similar instrument; or
- (c) any amount raised by acceptance under any acceptance credit facility; or
- (d) receivables sold or discounted (otherwise than on a non-recourse basis); or
- (e) the acquisition cost of any asset to the extent payable after the time of acquisition or possession by the person liable as principal obligor for the payment thereof where the deferred payment is arranged primarily as a method of raising finance or financing or refinancing the acquisition of the asset acquired; or
- (f) the sale price of any asset to the extent paid by the person liable before the time of sale or delivery where the advance payment is arranged primarily as a method of raising finance or financing or refinancing the manufacture, assembly, acquisition or holding of the asset to be sold; or
- (g) finance leases, credit sale or conditional sale agreements (whether in respect of land, buildings, plant, machinery, equipment or otherwise) which are treated as finance leases in accordance with Applicable GAAP (but not, for the avoidance of doubt, including liabilities under operating leases); or
- (h) any derivative transaction for managing or hedging currency and/or interest rate and/or commodity risk provided that where the agreement relating to that transaction provides for netting to occur this paragraph (h) shall include only the net amount of the

payment obligation outstanding from the relevant member of the Group thereunder after such netting-off has occurred; or

(i) the amount payable under any put option or other arrangement whereby any member of the Group is liable, at the request of a third party, to purchase share capital or other securities issued by it or any other member of the Group prior to the Final Tranche B Repayment Date; or

(j) the amount payable by any member of the Group in respect of the redemption of any share capital issued by it or any other member of the Group (if the share capital is redeemable at the option of their holder or if the relevant member of the Group is otherwise obliged to redeem it) prior to the Final Tranche B Repayment Date; or

(k) the amount of any liability in respect of any guarantee or counter-indemnity obligation of any member of the Group in respect of any guarantee, indemnity, bond, standby or documentary letter of credit or any other similar instrument issued by a bank or financial institution; or

(l) amounts raised under any other transaction required to be accounted for as a borrowing in accordance with Applicable GAAP; or

(m) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any indebtedness falling within paragraphs (a) to (l) inclusive of this definition,

and so that where the amount of Financial Indebtedness falls to be calculated, (aa) no amount shall be taken into account more than once in the same calculation and (bb) Financial Indebtedness owed by one member of the Group to another member of the Group shall not be taken into account and (cc) for the purposes of the cross default provisions and financial covenants in the Senior Facilities Agreement each reference to "Group" in this definition shall be a reference to "Financial Group";

"First Drawing Date" means the date of the first Drawing of the Term Facilities;

"First Stage Debenture" means the debenture, in the agreed form, dated 9th June, 2003 and entered into by each Parent Group Company (other than WRG Finance PLC), as amended pursuant to the Existing Debenture Amendment Deed;

"First Supplemental Standard Security" means the standard security granted by Waste Recycling Group (Scotland) Limited in respect of Oatslie Sandpit Landfill Site, Cleugh Road, Roslin, Midlothian EH2 9QW;

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

"Group" means WRG Acquisitions PLC and its subsidiaries at that time;

"Guarantor" means a guarantor of the Senior Facilities Agreement;

"Hedge Counterparty" means a counterparty to hedging agreements made in connection with the *Intercreditor Deed*

"Hedging Agreements" means any agreement entered into by a Hedge Counterparty and defined as such in the *Senior Facilities Agreement*;

"Insurances" means all benefits, rights and interest of a Charging 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 any Charging Company;

"Intercompany Loan Agreements" means all the loans between members of the Group in respect of which a Charging Company is the lender;

"Intercreditor Deed" means an intercreditor deed originally dated 9 June 2003, entered into between, among others, WRG Acquisitions PLC and Barclays Bank PLC as senior agent and senior security agent on 10 December 2004;

"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 each Charging 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;

"Leasehold Restricted Property" means that until the relevant consent has been obtained, there shall be excluded from the charge created by Clause 1 (Property) of Part 2 of these continuation sheets and from the floating charge created by Clause 10 (Floating Charge) of Part 2 of these continuation sheets and from the operation of the further assurance provisions set out in the further assurance provisions and any leasehold property held by a Charging Company under a lease the terms of which either preclude absolutely such Charging Company from creating any Lien over its leasehold interest in such property or require the consent of any third party prior to the creation of such Lien where such consent shall not have been previously obtained, and shall include without limitation the properties listed in Part 2 of Schedule 1 (Details of Leasehold Restricted Properties) of Part 2 of these continuation sheets;

"Lien" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation, assignment for security, claim, or preference or priority or other encumbrance upon or with respect to any property of any kind, real or personal, moveable or immoveable, now owned or hereafter acquired;

"Local Authority" means a local authority, district council, local or municipal authority or governmental body;

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

"Majority Lenders" means at any time:

(a) lenders to the Senior Facilities Agreement whose commitment to lend aggregates more than 66 ⅔ per cent. of the total commitments to lend (and for this purpose the amount of an Ancillary Lender's Revolving Commitment shall not be reduced by the amount of its Ancillary Limit); or

(b) if the Total Commitments have been reduced to zero, lenders to the Senior Facilities Agreement whose Commitments aggregated more than 66 ⅔ per cent. of the Total Commitments immediately before the reduction;

"Material After-Acquired Property" means any Property acquired by a Charging Company after the date of this Deed 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 Contract" means the Local Authority Contracts and any other agreement designated as such by the Second Secured Note Trustee and WRG Acquisitions PLC at the date of this Deed or thereafter;

"Notice of Document Assignment" means a notice of assignment in the form set out in Part 2 of Schedule 5 of the Deed;

"Notice of Document Charging" means a notice of charging in the form set out in Part 1 of Schedule 5 of the Deed;

"Obligors" means the borrowers and guarantors identified in the Senior Facilities Agreement;

"Offer" means the offer made or to be made on behalf of WRG Acquisitions PLC to purchase the Offer Shares (or, as the case may be, such of the Offer Shares as are not already owned by WRG Acquisitions PLC) on the terms set out in the Offer Press Release (as such Offer may be amended, varied, revised or extended from time to time (subject to the prior written consent of the Majority Lenders to the extent that such consent is required under the terms of the Senior Facilities Agreement));

"Offer Press Release" means the press release made by or on behalf of WRG Acquisitions PLC announcing the terms of the Offer;

"Offer Shares" means the issued and to be issued ordinary shares in the Target to which the Offer relates and which shall comprise the entire issued share capital of the Target;

"Parent Group" means WRG Investments Limited, WRG Finance PLC and WRG Acquisitions PLC and **"Parent Group Company"** means any of them;

"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 1 (Property) of Part 2 of these continuation sheets or stock in trade or work in progress;

"Private Equity Contribution" means:

- (a) any capital contribution to WRG Acquisitions PLC or any raising of funds by way of private placement of ordinary or preference share capital of WRG Acquisitions PLC; or
- (b) the incurrence by WRG Acquisitions PLC of Financial Indebtedness pursuant to an unsecured debt instrument subordinated on the same terms as the Acquisitions Loan Notes or otherwise subordinated on terms acceptable to the Facility Agent (acting reasonably);

"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 a Charging 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 means an administrative receiver, receiver and manager or other receiver appointed in respect of the Charged Assets by the Second Secured Note Trustee pursuant to this Deed;

"Refinancing Advances" means certain Advances made available to members of the Target Group under the Term Facilities;

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

"Revolving A Commitments" means the principal amount of each advance made or to be made under the Revolving A Facility under the Senior Facilities Agreement;

"Revolving A Lenders" means lenders who participate in the Revolving A Facility under the Senior Facilities Agreement;

"Revolving B Commitments" means the principal amount of each advance made or to be made under the Revolving B Facility under the Senior Facilities Agreement;

"Revolving B Lenders" means lenders who participate in the Revolving B Facility under the Senior Facilities Agreement;

"Revolving Commitments" means the Revolving A Commitments and the Revolving B Commitments;

"Revolving Facilities" means the Revolving A Facility and the Revolving B Facility made available under the Senior Facilities Agreement;

"Revolving Lenders" means the Revolving A Lenders and the Revolving B Lenders;

"Scheduled Investments" means the Investments described in Schedule 2 of Part 2 of these continuation sheets;

"Scheduled Property" means the Property described in Part 1 of Schedule 1 of Part 2 of these continuation sheets and all Related Property Rights;

"Scheme" means a scheme of arrangement made pursuant to section 425 of the Companies Act 1985 in relation to the cancellation of Target Shares and the subsequent issue of new shares in Target to WRG Acquisitions PLC as contemplated by the Scheme Press Release;

"Scheme Press Release" means a press release made by or on behalf of WRG Acquisitions PLC announcing the terms of the Scheme;

"Second Restatement Acquisitions Note Instrument" means the deed of covenant in the agreed form constituting the Acquisitions Loan Notes issued on the Second Restatement Date entered into by WRG Acquisitions PLC on or before the Second Restatement Date;

"Second Restatement Date" means the date on which the amendments to the Senior Facilities Agreement provided for in a second supplemental agreement take effect;

"Second Secured Creditors" means the Second Secured Noteholders and the Second Secured Note Trustee;

"Second Secured Note Documents" means the Second Secured Note Indenture, the Second Secured Notes, the Second Secured Note Security, the Second Secured Note Guarantees and any other document entered into in connection with the Second Secured Notes;

"Second Secured Note Guarantees" means the guarantees granted in accordance with the Intercreditor Deed;

"Second Secured Note Indenture" means any indenture pursuant to which the Second Secured Notes are issued;

"Second Secured Note Liabilities" has the meaning given to it in Part 1 of these continuation sheets;

"Second Secured Noteholders" means the holders, from time to time, of the Second Secured Notes;

"Second Secured Notes" means the second secured floating rate notes issued by WRG Acquisitions PLC pursuant to the Second Secured Note Indenture;

"Second Secured Note Security" means the Security Interests granted in accordance with the Intercreditor Deed;

"Second Secured Note Trustee" means The Bank of New York (and its successors) in its capacity as note trustee for the Second Secured Noteholders;

"Second Stage Debenture" means the debenture dated 12th August, 2003 executed by certain members of the Target Group pursuant to this Agreement for the purpose of securing certain of the Refinancing Advances and Drawings of the Revolving Facilities made available to members of the Target Group, as amended pursuant to the Existing Debenture Amendment Deed;

"Security Interests" 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 by any other agreement or arrangement entered into for the purposes of conferring security and any agreement to create or establish any of the foregoing;

"Senior Creditors" means the Finance Parties as defined in the Senior Facilities Agreement and/or any other lender or creditor in respect of any Senior Liabilities;

"Senior Discharge Date" means the first date upon which the Senior Liabilities have been unconditionally discharged in full and the Senior Creditors have no further obligations under the Senior Finance Documents;

"Senior Facilities Agreement" means a senior facilities agreement dated 9 June 2003 (as amended by amendment letters dated 11 June 2003 and 11 August 2003, an amendment and waiver letter dated 29 March 2004, a supplemental agreement dated 26 August 2004 and a second supplemental agreement dated 9 December 2004) between amongst others, WRG Acquisitions PLC (then known as Cholet Acquisitions Limited), Barclays Capital, Merrill Lynch International and Deutsche Bank AG London as Joint Mandated Lead Arrangers and Barclays Bank PLC as Security Agent and as Facility Agent;

"Senior Finance Documents" means the Senior Facilities Agreement, the supplemental agreements to the Senior Facilities Agreement, each security document entered into in connection with the Senior Facilities Agreement, the Intercreditor Deed, deeds of amendment relating to the Intercreditor Deed, each Standard Security Ranking Agreement, hedging agreements entered into in connection with the Senior Facilities Agreement, hedging strategy letters relating to the Senior Facilities Agreement, the Syndication Letter, the Ancillary Documents, each Accession Document, each Transfer Certificate, any fee letters entered into in

connection with the Senior Facilities Agreement and any other document designated as a Finance Document by the Facility Agent and WRG Acquisitions PLC;

"Senior Liabilities" means the Liabilities owed by the Obligors to the Senior Creditors under or in connection with the Senior Finance documents;

"Senior Security" means the Security Interests granted or to be granted pursuant to the Senior Finance Documents in favour of the Senior Creditors;

"Shanks First Stage Debenture" means the debenture dated 26th August, 2004 entered into or to be entered into by WRG Acquisitions 2 Limited (formerly Cholet Acquisitions 2 Limited) securing all Drawings other than the WRG Acquisition Advances made available under the Senior Facilities Agreement, as amended pursuant to the Existing Debenture Amendment Deed;

"Shanks Second Stage Security" means:

(a) a debenture (the **"Shanks Second Stage Debenture"**) dated 26th August, 2004 executed by certain members of the Shanks Target Group pursuant to the Senior Facilities Agreement, as amended pursuant to the Existing Debenture Amendment Deed; and

(b) a bond and floating charge and standard security dated 26th August, 2004 executed by certain members of the Shanks Target Group incorporated in Scotland,

in each case for the purpose of securing all Drawings under this Agreement other than Shanks Acquisition Advances and the WRG Acquisition Advances;

"Shanks Target Group" means WRG (Management) Limited (No. 2563475) and WRG Environmental Limited (No. 2206141) and all of their subsidiaries;

"Shanks Third Stage Security" means:

(a) a debenture in substantially the same form as the Shanks Second Stage Debenture granted by certain members of the Shanks Target Group pursuant to the Senior Facilities Agreement; and

(b) a bond and floating charge and standard security substantially in the same form as that granted as Shanks Second Stage Security granted by certain members of the Shanks Target Group incorporated in Scotland,

in each case securing all Drawings made available to the Group;

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

"Standard Security" means the standard security granted by Waste Recycling Group (Scotland) Limited in respect of the heritable part of the Drummond Moor site (as to the commercial effect on substantially the same terms in respect of real property as the Third Stage

Debenture) pursuant to the Senior Facilities Agreement securing the obligations of the Obligors under the Finance Documents;

"Standard Security Ranking Agreement" means:

(a) the ranking agreement in relation to the Standard Security, the standard security forming part of the Shanks Third Stage Security and the standard security forming part of the Second Secured Note Security entered into on the Second Restatement Date; and

(b) the ranking agreement in relation to the First Supplemental Standard Security and the standard security forming part of the Second Secured Note Security in respect of Oatslie Sandpit Landfill Site, Cleugh Road, Roslin, Midlothian EH2 9QW entered into on the Second Restatement Date;

"Syndication Letter" means the syndication letter dated on or about the date of the Senior Facilities Agreement between Terra Firma, WRG Acquisitions PLC and the Joint Mandated Lead Arrangers;

"Target" means Waste Recycling Group plc (re-registered after the date of the Senior Facilities Agreement as Waste Recycling Group Limited);

"Target Group" means Target and all of its subsidiaries;

"Target Shares" means the entire issued share capital of Target;

"Term Facilities" means the term loan facilities available under the Senior Facilities Agreement;

"Terra Firma" means Terra Firma Investments GP(2) Ltd, a company incorporated in Guernsey whose registered office is at PO Box 543, East Wing, Trafalgar Court, Admiral Park, St Peter Port, Guernsey;

"Third Stage Debenture" means the debenture dated 5th September 2003 executed by certain members of the Target Group pursuant to the Senior Facilities Agreement securing all Advances made available to the Group, as amended pursuant to the Existing Debenture Amendment Deed;

"Transfer Certificate" means a certificate substantially in the form set out in Schedule 6 of the Senior Facilities Agreement or any other form agreed between the Facility Agent and WRG Acquisitions PLC;

"Unconditional Date" means the date on which the Offer is declared unconditional in all respects;

"WRG Acquisitions Advances" means Advances made to WRG Acquisitions PLC;

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05719062

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECOND RANKING DEBENTURE DATED THE 18th APRIL 2006 AND CREATED BY WRG OPERATIONS 2 LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE DEBENTURE OBLIGORS, TO THE SECOND SECURED CREDITORS AND/OR AND RECEIVER ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 21st APRIL 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 28th APRIL 2006.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES