

CHFP025

Declaration in relation to assistance for the acquisition of shares

155(6)a

Pursuant to section 155(6) of the Companies Act 1985

**To the Registrar of Companies
(Address overleaf Note 5)**

For official use

Company number

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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SC043286

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

Name of company

* WRG (MIDLANDS) LIMITED

* insert full name
of company

~~X~~We SEE APPENDIX 1

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

† delete as appropriate

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

The business of the company is

§ delete whichever
is inappropriate

[illegible][illegible]

XX06XKX 091073Z 1001A XXXXXXXXXXXXXXXXXXXXXXX S

(c) something other than the above §

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

~~XXXXXXXXXX~~ [company's holding company WASTE RECYCLING GROUP

Limited† †

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

The number and class of the shares acquired or to be acquired is 265,848,603 ORDINARY SHARES
OF £0.25 EACH

Presentor's name address and
reference (if any)

SALLY JANE FRISTON
LINKLATERS
ONE SILK STREET
LONDON
EC2Y 8HQ
DX10 LONDON
A07171703

For official Use
General Section

WEDNESDAY



SLVF91WD

SCT

03/01/2007

234

COMPANIES HOUSE

The assistance is to be given to (note 2) AZINCOURT INVESTMENT S L
(COMPANY NUMBER B84825793) WITH REGISTERED OFFICE BEING C/FEDERICO
SALMON 13, MADRID, 28-MADRID

Please do not
write in this
margin

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

The assistance will take the form of

SEE APPENDIX 2

The person who [has acquired] ~~100,000,000~~ † the shares is

† delete as
appropriate

AZINCOURT INVESTMENT S L (COMPANY NUMBER B84825793)

The principal terms on which the assistance will be given are

SEE APPENDIX 3

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

The value of any asset to be transferred to the person assisted is £ UP TO £457,000,000

The date on which the assistance is to be given is ON ANY DATE WITHIN 8 WEEKS

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

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

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

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

[illegible]

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

Declared at

Declarants to sign below

LINKLÄTERS, ZURBARÁN, 28-28010, MADRID

on

Day	Month	Year
21	12	2006

before me JAMES ALEXANDER POINTON

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

S. G. Neelath
Sulka
h h
mp

NOTES

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

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

or, for companies registered in Scotland

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

Appendices of WRG (Midlands) Limited (Company Number: SC43286)

APPENDIX 1

Name Leslie James Davidson Cassells

Address Bridge Cottage, 6 Hodges Lane, Kissingbury, Northamptonshire NN7 4AJ

Name Steven Neville Hardman

Address Toft Hill, Toft, Dunchurch, Rugby CV22 6NR

Name James Robert Meredith

Address 2 Prestwick Road, Biddenham, Bedford, Bedfordshire MK40 4FH

Name Malcolm Robinson

Address 1 Low Meadows, Hacheston, Woodbridge, Suffolk IP13 0DQ

APPENDIX 2

In connection with a facility agreement, to which the Company is not a party, (the "**Facility Agreement**") to be entered into between Azincourt Investment, S L (the "**Borrower**"), Waste Recycling Group Limited (the "**Target**"), certain subsidiaries of the Target that will accede to the Facility Agreement as obligors (together with the Target, the "**Obligors**"), Banco Bilbao Vizcaya Argentaria, S A ("**BBVA**"), Banco Santander Central Hispano, S A , London Branch ("**Banco Santander**"), The Royal Bank of Scotland plc ("**RBS**" and together with BBVA and Banco Santander, the "**Lenders**") and BBVA as agent (the "**Agent**"), pursuant to which the Lenders agree to make available to the Borrower a facility of up to £625,000,000 in order to assist the Borrower in refinancing the acquisition by the Borrower of the Target (the "**Acquisition**")

The execution of the following documents by the Company (as the same may be amended, varied, supplemented or substituted from time to time, the "**Documents**") and the performance of all of its obligations thereunder:

- 1 a charge (the "**Account Charge**") over each of the cash accounts (the "**Cash Accounts**") specified in Schedule 4 (*Cash Accounts*) to the Account Charge to be entered into between the Target, including the Company, certain subsidiaries of the Target listed in Schedule 1 to the Account Charge (together with the Target, the "**Cash Pooling Subsidiaries**") and the Security Trustee, pursuant to which the Cash Pooling Subsidiaries will each grant a floating charge over all its present and future rights, title and interest to the Cash Accounts and all amounts credited to it in its name in favour of the Security Trustee,
- 2 a security trust agreement (the "**Security Trust Agreement**") to be entered into between the Borrower, the Target, the Obligors and certain subsidiaries of the Target which individually represent at least 5 per cent of EBITDAP or 5 per cent of the total gross assets of the group (together with the Target and the Obligors, the "**Chargors**"), any subsidiary of the Target which is an intermediate holding company of a Chargor (together, the "**Mortgagors**"), the Cash Pooling Subsidiaries, the Lenders in their capacity as arrangers and lenders under the Facility Agreement, RBS in its capacity under the RBS facilities, the Agent and Banco Santander as security trustee for the Finance Parties (as defined in the Account Charge) (the "**Security Trustee**"), setting out the Security Trustee's rights, powers, authorities and discretions,
- 3 an intra group funding agreement (the "**Intra-Group Funding Agreement**") to be entered into between the Borrower and the Cash Pooling Subsidiaries, pursuant to which the Cash Pooling Subsidiaries will agree to advance available funds to the Borrower, for the purposes of, amongst other things, the repayment of principal, interest or other amounts under the Facility Agreement, or the payment of any other costs, expenses incurred by the Borrower directly or indirectly in connection with the Acquisition, and

any other financial assistance constituted by the Documents, the amounts payable thereunder and/or the transactions contemplated thereby, and the exercise by the Company of its rights and the performance of its obligations thereunder, which shall include, without limitation, and condition, undertaking, representation, warranty, guarantee, indemnity or any other thing done or to be done in connection with the Documents which would constitute financial assistance

APPENDIX 3

"Act" means the Law of Property Act 1925

"Account Charge" means the charge over the Cash Accounts entered into between WRG, the Cash Pooling Subsidiaries and the Security Trustee, pursuant to which the Cash Pooling Subsidiaries will each grant a floating charge over all its present and future rights, title and interest to the Cash Accounts and all amounts credited to it in its name in favour of the Security Trustee.

"Acquisition" means the acquisition by the Borrower of WRG.

"Advances" means an advance made or to be made by a Cash Pooling Subsidiary to the Borrower or the principal amount for the time being of that advance

"Agent" means Banco Bilbao Vizcaya Argentaria, S A.

"Arrangers" means the BBVA, Banco Santander and RBS

"Availability Period" means the period from and including the date of the Intra Group Funding Agreement to and including the date the Facility Agreement is to be repaid

"Banco Santander" means Banco Santander Central Hispano, S A , London Branch

"BBVA" means Banco Bilbao Vizcaya Argentaria, S A

"Borrower" means Azincourt Investment, S L., a company incorporated under the laws of Spain with tax company number (*Código de Identificación Fiscal*) B84825793

"Cash Accounts" means each of the cash accounts specified in Schedule 4 (*Cash Accounts*) to the Account Charge

"Cash Pooling Subsidiary" means WRG and certain subsidiaries of WRG, listed in Schedule 1 to the Account Charge, which utilise the Cash Accounts

"Chargor" means each Original Chargor and each New Chargor

"Company" means the company giving the financial assistance

"Debenture" means the debenture entered into between WRG, the Chargors and the Security Trustee, pursuant to which the Chargors will grant security over their Shares and Security Assets in favour of the Security Trustee

"Default Rate" means the rate of interest specified in, and calculated in accordance with, Clause 6.6 (*Default Interest*) of the Facility Agreement

"Event of Default" means any event or circumstance specified as such in clause 16 (*Events of Default*) of the Facility Agreement or as specified as such in either of the RBS Facilities

"Dividends" means all dividends, interest and other distributions paid or payable on or in respect of the Shares

"Equivalent Financial Collateral" shall have the same meaning as it has in the Regulations

"Facility Agreement" means the facility agreement entered into between the Borrower, WRG, the Obligors, the Lenders and the Agent, pursuant to which the Lenders agree to make available to the Borrower a facility of up to £625,000,000 in order to assist the Borrower in refinancing the Acquisition

"FCC" means Fomento de Construcciones y Contratas, S.A

"Final Maturity Date" shall have the meaning given thereto in Clause 7.1 of the Facility Agreement

"Finance Document" means the Facility Agreement, the Intercreditor Agreement, the Hedging Agreement, any Transaction Security Document, the RBS Facilities, the fee letters, the Sponsor Support Agreement, the Security Trust Agreement and any other document designated as a Finance Document by the Majority of Finance Parties and the Borrower

"Finance Parties" means the Agent, the Arrangers, the Security Trustee, the Working Capital Finance Parties, the Lenders and the Hedge Counterparties

"Group" means WRG and all its subsidiaries

"Hedging Agreements" means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by the Borrower and the Hedge Counterparty for the purpose of hedging interest rate liabilities in relation to the Facility Agreement in accordance with Clause 15 of the Facility Agreement

"Hedging Counterparty" means any of the Arrangers (or an entity belonging to their group appointed by them) which at any time has the status of a counterparty of the Borrower under any of the Hedging Agreements and **"Hedge Counterparties"** shall be construed accordingly

"Intercreditor Agreement" means the intercreditor agreement entered into between the Finance Parties

"Intra-Group Funding Agreement" means an intra group funding agreement entered into between the Borrower and the Cash Pooling Subsidiaries, pursuant to which the Cash Pooling Subsidiaries will agree to advance funds held in the Cash Accounts to the Borrower, for the purposes of, amongst other things, the repayment of principal, interest or other amounts under the Facility Agreement, or the payment of any other costs, expenses incurred by the Borrower directly or indirectly in connection with the Acquisition

"JV Company" means any of BDR Waste Disposal Limited, Derbyshire Waste Limited and Pennine Waste Management Limited

"Lenders" means

- (a) BBVA, Banco Santander and RBS, together with their successive assignees under the scope of the Facility Agreement, or
- (b) any bank, financial institution, trust, fund or other entity which has become a party to the Facility Agreement in accordance with Clause 20 of the Facility Agreement,

which in each case has not ceased to be a party to the Facility Agreement in accordance with the terms of the Facility Agreement

"Majority of Finance Parties" shall have the meaning given to the term *"Mayoría de los Prestamistas"* in section 5.2 of the Intercreditor Agreement

"Mortgage over securities" means one of the mortgage over securities entered into between one of the Mortgagors and the Security Trustee, pursuant to which the Mortgagor will grant security over their shares in the Chargor in favour of the Security Trustee

"Mortgagor" means the Borrower and any subsidiary of WRG who is an intermediate holding company of a Chargor

"New Chargor" means a company which grants Security over its assets in favour of the Security Trustee by executing a Security Accession Deed in accordance with Clause 20 (*Additional Chargors*) and Clause 18 of the Facility Agreement

"Notary" means the notary of Madrid, Mrs Isabel Estape, for all of the purposes set out in section 517 2 4 of the Civil Procedure Act, as well as articles 1,216, 1,865, 1,924 3 and 1,929 of the Civil Code, Section 90 6 of the Bankruptcy Act and the other applicable legal provisions

"Obligors" means the Borrower and any Group Company that may become an obligor pursuant to the Facility Agreement

"Original Chargors" means the companies listed in Schedule 1 (*Original Chargors*) to the Debenture together with the WRG.

"RBS" means The Royal Bank of Scotland plc.

"RBS Facilities" means

- (a) a bilateral letter of credit facility between WRG, the Original Borrowers (as defined therein) and RBS dated 27 September 2006, and
- (b) a revolving credit facility between WRG, Waste Recycling Limited and RBS dated 30 October 2006

"Receiver" means a receiver appointed pursuant to either the Account Charge, the Mortgage over Securities or the Debenture, or to any applicable law, whether alone or jointly, and includes a receiver and/or manager and, if the Security Trustee is permitted by law to appoint an administrative receiver, includes an administrative receiver

"Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 (S I 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements, and **"Regulation"** means any of them

"Secured Liabilities" means the liabilities of the Borrower and each Obligor to the Finance Parties under or pursuant to the Finance Documents except for any liabilities which, if secured by the Debenture, Mortgage over securities or Account Charge, would result in a contravention by a Chargor, Mortgagor or Cash Pooling Subsidiary of section 151 of the Companies Act 1985

"Security" means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect

"Security Accession Deed" means a deed executed by a New Chargor substantially in the form set out in Schedule 6 (*Form of Security Accession Deed*) to the Debenture, with those amendments which the Security Trustee may approve or reasonably require

"Security Agreements" means the agreements referred to in Clauses 18 1 and 18 2 of the Facility Agreement and any agreement entered into in the future to secure the obligations of the Obligors under the Facility Agreement and/or under the Hedging Agreements, provided that in the latter case each Hedging Entity has joined in to the Creditors Agreement in its capacity as such Hedging Entity

"Security Assets" means all of the assets of the Mortgagor which are the subject of any Security created or to be created by the Mortgage over securities

"Security Trust Agreement" means a security trust agreement entered into between the Borrower, WRG, the Chargors, the Cash Pooling Subsidiaries, the Mortgagors, the Lenders, the Agent and the Security Trustee, setting out the Security Trustee's rights, powers, authorities and discretions

"Security Trustee" means Banco Santander as trustee for the Finance Parties

"Shares" means the shares which are listed or described in Schedule 1, together with (i) all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise (except for Dividends) which at any time accrue to or are offered or arise in respect of them, and (ii) any Equivalent Financial Collateral provided in accordance with Clause 8 (*Rights and powers of the Security Trustee*)

"Signing Date" means the date of signing of the Facility Agreement

"Sponsor Support Agreement" has the meaning given to the term "Contrato de Apoyo" in the Facility Agreement

"Statutory Declaration" means the form to which this Appendix 3 relates

"Subsidiary" means a subsidiary undertaking within the meaning of Section 258 of the Act

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same)

"Transaction Security Documents" means the Debenture, the Mortgage over securities, the Account Charge and the remaining in rem security interests to be granted pursuant to Clause 18.2 of the Facility Agreement, together with any other document entered into by any Obligor creating or expressed to create, evidencing or granting any Security in favour of the Finance Parties (or any of them) over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents, each in form and substance satisfactory to the Agent

"Working Capital Finance Parties" means

- (a) RBS in its capacity as lender under the RBS Facilities,
- (b) any financial institution, trust, fund or other entity which has become a lender in accordance with the terms contemplated therein, and
- (c) any agent appointed under either of the RBS Facilities

"WRG" means Waste Recycling Group Limited

1 Account Charge

1.1 Floating Charge

By executing the Account Charge, the Company will, amongst other things, charge by way of floating charge all its present and future rights, title and interest to the Cash Accounts and all amounts credited to the Cash Accounts in its name

For the avoidance of doubt, any right, title or interest of a JV Company to the Cash Accounts shall be excluded from the floating charge created by the Account Charge

1.2 Nature of Security

The Security created under the Account Charge is created by the Company

- 1.2.1 as a continuing security to secure the payment and discharge of the Secured Liabilities,
- 1.2.2 over all present and future rights in the Cash Accounts which are owned by the Company and, to the extent that it does not own those rights, shall extend to any right or interest which it may have in them,
- 1.2.3 in favour of the Security Trustee as trustee for the Finance Parties, and
- 1.2.4 with full title guarantee (except that the covenant set out in section 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to all charges, encumbrances and rights, even if the Company does not know and could not reasonably be expected to know about them)

1.3 *Negative Pledge*

The Company agrees not to create or permit to subsist any Security over the Security Asset except for Security permitted pursuant to the terms of the Facility Agreement

1.4 *General Indemnity and Indemnity out of the Security Assets*

1.4.1 The Company, with respect to all the Cash Pooling Subsidiaries, shall indemnify the Security Trustee, the other Finance Parties, any Receiver and their respective officers and employees against all actions, proceedings, demands, claims, costs, expenses, and other liabilities incurred by them in respect of all or any of the following

- (i) any act or omission by any of them in relation to all or any part of the Security Asset;
- (ii) any payment relating to or in respect of all or any part of the Security Asset which is made at any time by any of them,
- (iii) any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, the Account Charge,
- (iv) carrying out or purporting to carry out any of the rights, powers and discretions conferred on them by or permitted under the Account Charge, and
- (v) any breach by the Company of any of its covenants or other obligations to the Security Trustee or any other Finance Party,

except in the case of gross negligence or wilful misconduct on the part of that person

The Company shall pay interest at the Default Rate on the sums payable from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

1.4.2 The Security Trustee, the other Finance Parties, any Receiver and their respective officers and employees shall be entitled to be indemnified out of the Security Assets in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in paragraph 1.4.1 above

1.5 Further Assurance

The Company provides the following further assurance

- 1.5.1** that the Company shall, at its own expense, promptly take any action and sign or execute any further documents which the Security Trustee may require in order to
- (i) give effect to the requirements of the Account Charge;
 - (ii) protect, preserve and perfect the Security intended to be created by or pursuant to the Account Charge,
 - (iii) protect and preserve the ranking of the Security intended to be created by or pursuant to the Account Charge with any other Security over any assets of any Cash Pooling Subsidiary, or
 - (iv) facilitate the realisation of all or any part of the Security Asset or the exercise of any rights, powers and discretions conferred on the Security Trustee, any Receiver or any administrator in connection with all or any part of the Security Asset,

and any such document created by the Account Charge may disapply section 93 of the Act

1.6 Set off

The Security Trustee may, following the occurrence of a Event of Default set off any matured obligation due from the Company under any Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to the Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

2 Intra Group Funding Agreement

By entering into the Intra Group Funding Agreement, the Company will agree, amongst other things

- 2.1** to advance available funds, up to the aggregate principal amount of £457,000,000, to the Borrower during the Availability Period, and
- 2.2** that the Advances may at the request of the Borrower be made to WRG on the terms of the Intra Group Funding Agreement, *mutatis mutandis*, and that such Advances are on lent to the Borrower on the terms of the Intra Group Funding Agreement or otherwise made available to the Borrower as instructed thereby

3 Security Trust Agreement

By executing the Security Trust Agreement, the Company will amongst other things

- 3.1** Acknowledge and agree to the arrangements between the Finance Parties, including
- 3.1.1** the appointment of the Security Trustee to hold any Security created by the Transaction Security Documents on trust for the Finance Parties,

- 3 1 2 authorising the Security Trustee to exercise the rights, powers, authorities and discretions specifically given to the Security Trustee under or in connection with the Finance Documents only together with any other incidental rights, powers, authorities and discretions;
 - 3 1.3 that each Finance Party authorises and instructs the Security Trustee, on its behalf to execute and deliver the Transaction Security Documents and to give any authorisations and confirmations to be given by the Security Trustee under them; and
 - 3 1.4 that each Finance Party confirms that it does not wish to be registered as a joint proprietor of any mortgage or charge created pursuant to any Transaction Security Document and accordingly it authorises the Security Trustee to hold any such mortgages and charges in its sole name as trustee for the Finance Parties
- 3.2 Acknowledge and agree that no obligation in the Security Trust Agreement is for the benefit of the Obligors.



KPMG LLP

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Private & confidential

The Directors
WRG (Midlands) Limited
Greengairs Landfill
Meikle Drumgray Road
Greengairs
Airdrie
Lanarkshire
ML6 7TD

Our ref dm/by/238

Contact Ben Yorke
Tel 0113 231 3895

21 December 2006

Dear Sirs

Auditors' report to the directors of WRG (Midlands) Limited ('the Company') pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of the Company dated 21 December 2006 in connection with the proposal that the Company should give financial assistance for the purchase of all of the ordinary shares of the Company's holding company, Waste Recycling Group Limited

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

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

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

Yours faithfully

KPMG LLP
Registered Auditor