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

*insert full name
of Company

COMPANIES FORM No. 395

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.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



888788

Name of company

* Hemmings Waste Management Limited (the "Company")

Date of creation of the charge

6 February 2006

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

Debenture (the "Debenture") between the Company and Olive Mary Nichols (the "Lender") dated 6 February 2006.

Amount secured by the mortgage or charge

Please see appendix 1.

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

Olive Mary Nichols of 12 Clyde Park, Bristol

Postcode BS6 6RS

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

Burges Salmon LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4AH

Ref: JE02/12266.18

Time critical reference

For official Use (02/00)
Mortgage Section

Post room



A20
COMPANIES HOUSE

AN02PD45

704
21/02/2006

Short particulars of all the property mortgaged or charged

Please see appendix 2.

Please do not 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

Burges Salmon LLP

Date

20/02/06

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

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

† delete as appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his:
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 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

HEMMINGS WASTE MANAGEMENT LIMITED

M395 Continuation Sheet

Appendix 1 – Amount secured by the mortgage or charge

The Company has covenanted with the Lender that it will pay all money and liabilities now or due after 6 February 2006, owing or incurred to the Lender by the Company under the investment agreement dated 6 February 2006 and made between the Company's parent Hemmings Group Holdings Limited and the Lender pursuant to which the Lender agreed to make available to the Company's parent, Hemmings Group Holdings Limited, a secured loan facility of £100,000 upon the terms thereof (the "**Investment Agreement**") and under the Debenture in whatsoever manner in any currency or currencies whether;

- present or future;
- actual or contingent;
- whether incurred solely or jointly with any other person; and
- whether as principal or surety

together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith (the "**Secured Obligations**") as and when the same fall due for payment.

Appendix 2

Short particulars of all the property mortgaged or charged

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Appendix 2, unless the context otherwise requires, the following expressions have the following meanings:

Charged Property means all the assets, property, goodwill and undertaking of the Company from time to time charged or assigned to the Lender pursuant to the terms of the Debenture

Event of Default means any of the events set out in paragraph 6 of section 2 to the Investment Agreement

Floating Charge Asset has the meaning given to it in clause 3.4 of the Debenture (section 2.4 of this Appendix 2)

Intellectual Property means know how, patents, trade marks, service marks, designs, business names, copyrights, confidential information, computer software and all other intellectual property rights and any interest (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same)

Receiver means any one or more administrative receivers, receivers and managers or (if the Lender so specifies in the relevant appointment) receivers appointed by the Lender pursuant to the Debenture in respect of the Company or over all or any of the Charged Property

Security Interest means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

Subsidiary means:

- (a) a subsidiary within the meaning of section 736 of the Companies Act 1985 and
- (b) a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985.

1.2 **Qualifying floating charge**

The Debenture contains a qualifying floating charge, and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.2 of the Debenture (section 2.2 of this Appendix 2).

2 **CHARGING CLAUSE**

2.1 **Fixed charges**

As a continuing security for the payment of the Secured Obligations the Company has charged in favour of the Lender with full title guarantee the following assets, both present and future, from time to time owned by the Company or in which the Company is from time to time interested:

- (a) by way of first legal mortgage all the freehold and leasehold property specified in the schedule to the Debenture together with all buildings and fixtures (including trade fixtures) at any time thereon;
- (b) by way of first legal mortgage all other freehold and leasehold property (if any) wherever situated together with all buildings and fixtures (including trade fixtures) at any time thereon;
- (c) by way of first fixed charge all other interests (not being charged by clauses 3.1(a) and 3.1(b) of the Debenture (sections 2.1(a) or 2.1(b) of this Appendix 2)) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
- (d) by way of first fixed charge all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;
- (e) by way of first fixed charge all rights and interests of the Company in its Subsidiaries;
- (f) by way of first fixed charge all rights and interests of the Company in and claims under all policies of insurance and all proceeds thereof either now or in

the future held by, or written in favour of, the Company or in which the Company is otherwise interested;

- (g) by way of first fixed charge all book and other debts, revenues and monetary claims of the Company and all rights and claims of the Company against third parties and against any security in respect of such debts, revenues or claims;
- (h) by way of first fixed charge all monies from time to time standing to the credit of any and all accounts with any bank, financial institution, or other person;
- (i) by way of first fixed charge all Intellectual Property;
- (j) by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by the Company in connection with its business or the use of any of its assets; and
- (k) by way of first fixed charge all the goodwill and uncalled capital of the Company.

2.2 Floating charge

As further continuing security for the payment of the Secured Obligations the Company has charged with full title guarantee in favour of the Lender by way of first floating charge all its assets and undertaking whatsoever and wheresoever both present and future not effectively charged by way of first fixed charge pursuant to the provisions of clause 3.1 of the Debenture (described in section 2.1 of this Appendix 2).

2.3 Conversion of floating charge

The Lender may, at any time by notice in writing to the Company convert the floating charge created pursuant to clause 3.2 of the Debenture (described in section 2.2 of this Appendix 2) into a fixed charge as regards such assets as it shall specify in the notice in the event that:

- (a) an Event of Default has occurred and is continuing unremedied or unwaived; or
- (b) the Lender is reasonably of the view that (i) such assets are in danger of being seized or (ii) any legal process or execution is being enforced against such assets,

and by way of further assurance the Company has agreed to promptly execute a fixed charge over such assets in such form as the Lender shall require.

2.4 Automatic conversion of floating charge

If:

- (a) the Company creates (or purports to create) any Security Interest on or over any of the Charged Property not expressed to be subject to a fixed charge under the Debenture (a **Floating Charge Asset**) (unless the creation of such Security Interest is permitted in writing by the Lender or is permitted under the terms of the Investment Agreement); or
- (b) any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset; or

- (c) any corporate action, legal proceedings or other procedures or steps are taken for the winding up, dissolution, administration or reorganisation of the Company,

the floating charge created by the Debenture will automatically (without notice) be converted into a fixed charge over the relevant Floating Charge Asset or, in the circumstances described in clause 3.4(c) of the Debenture (section 2.4(c) of this Appendix 2), all Floating Charge Assets, immediately such event occurs.

2.5 Leasehold interests containing prohibition on charging

- (a) Until the relevant consent has been obtained, there shall be excluded from the fixed charges created pursuant to clause 3.1 of the Debenture (section 2.1 of this Appendix 2) (and from the operation of the further assurance provisions set out in clause 5 of the Debenture (section 4 of this Appendix 2)) any leasehold property held by the Company under a lease the terms of which either preclude absolutely the Company from creating any charge over its leasehold interest in such property or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an **Excluded Property**).
- (b) With regard to each Excluded Property, the Company has undertaken to make application for the consent of the relevant third party to the creation of the charges in clause 3.1 of the Debenture (section 2.1 of this Appendix 2) (or to be created pursuant to clause 5 of the Debenture (section 4 of this Appendix 2)) within 14 days of the date of the Debenture and, in respect of each lease which provides that the relevant third party will not unreasonably withhold its consent, to use all reasonable endeavours to obtain such consent as soon as possible and to keep the Lender informed of the progress of its negotiations with such third parties.
- (c) Forthwith, upon receipt of the relevant third party's consent as aforesaid, the relevant Excluded Property shall thereupon stand charged to the Lender pursuant to the terms of clause 3.1 of the Debenture (described in section 2.1 of this Appendix 2). If required by the Lender at any time following receipt of such consent the Company will execute a valid legal mortgage in such form as the Lender shall reasonably require.

3 CONTINUING SECURITY

- 3.1 The security is to be a continuing security which shall remain in full force and effect notwithstanding any intermediate payment or settlement of account or other matter or thing whatsoever and in particular the intermediate satisfaction by the Company or any other person of the whole or any part of the Secured Obligations.
- 3.2 The security is to be in addition and without prejudice to any other security or securities which the Lender may now or after 6 February 2006 hold for the Secured Obligations or any part thereof and the security may be enforced against the Company without first having recourse to any other rights of the Lender.

4 FURTHER ASSURANCE

- 4.1 The Company has agreed that it will at its own expense promptly execute such deeds, assurances, agreements, instruments and otherwise do such acts and things as the Lender may reasonably require for perfecting and protecting the security created (or intended to be created) by the Debenture or facilitating the realisation thereof or

otherwise for enforcing the same or exercising any of the Lender's rights under the Debenture.

- 4.2 Any document required to be executed by the Company pursuant to clause 5 of the Debenture (section 4 of this Appendix 2) will be prepared at the cost of the Company.

5 NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

Except to the extent permitted by the Investment Agreement, during the continuance of the security created by the Debenture, the Company will not, without the prior consent in writing of the Lender:

- (a) create or agree or attempt to create or permit to subsist (in favour of any person other than the Lender) any Security Interest over the whole or any part of the Charged Property; or
- (b) (whether by a single transaction or a number of related or unrelated transactions and whether at the same time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of or cease to exercise direct control over all or any part of the Charged Property or any interest therein (other than assets the subject of the floating charge only on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property.

6 ATTORNEY

The Company has irrevocably and by way of security appointed the Lender and every Receiver of the Charged Property or any part thereof appointed under the Debenture and any person nominated for the purpose by the Lender or any Receiver (in writing under hand signed by an officer of the Lender or any Receiver) severally as its Attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the relevant Company's seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of the Debenture or which may be required or deemed proper in the exercise of any rights or powers conferred on the Lender or any Receiver under the Debenture or otherwise for any of the purposes of the Debenture and the Company has covenanted with the Lender to ratify and confirm all acts or things made, done or executed by such attorney as aforesaid.

7 ENFORCEMENT AND POWERS OF THE LENDER

- 7.1 The restriction on the consolidation of mortgages imposed by section 93 of the Law of Property Act 1925 shall not apply to the Debenture or to any security given to the Lender pursuant to the Debenture.
- 7.2 Section 103 of the Law of Property Act 1925 shall not apply to the charges created by the Debenture which shall immediately become enforceable and the power of sale and other powers conferred by section 101 of such Act (as varied or extended by the security) shall be immediately exercisable at any time after demand has been made by the Lender pursuant to paragraph 6 of section 2 to the Investment Agreement.
- 7.3 The powers conferred on mortgagees or receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply

to the security constituted by the Debenture except insofar as they are expressly or impliedly excluded and where there is ambiguity or conflict between the powers contained in such Acts and those contained in the Debenture, those contained in the Debenture shall prevail.

- 7.4 The statutory power of sale exercisable by the Lender under the Debenture has been extended so as to authorise the Lender to sever any fixtures from the property to which they are attached and sell them separately from such property.
- 7.5 At any time after the charges created by the security shall have become enforceable or if so requested by the Company, the Lender may by writing under hand signed by any officer or manager of the Lender appoint any person (or persons):
- (a) to be a Receiver of all or any part of the Charged Property; or
 - (b) to be an administrator of the Company.
- 7.6 The statutory powers of leasing and accepting surrenders conferred upon the Lender by the Law of Property Act 1925 shall be extended so as to authorise the Lender to lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as the Lender thinks fit without the need to comply with any of the provisions of sections 99 and 100 of such Act.
- 7.7 All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended in the Debenture and all or any of the rights and powers conferred by the Debenture on a Receiver (whether expressly or impliedly) may be exercised by the Lender without further notice to the Company at any time after the security shall have become enforceable and the Lender may exercise such rights and powers irrespective of whether the Lender has taken possession or has appointed a Receiver of the Charged Property.

8 PROTECTION OF THIRD PARTIES

- 8.1 No purchaser from, or other person dealing with, the Lender and/or any Receiver shall be obliged or concerned to enquire whether the right of the Lender or any Receiver to exercise any of the powers conferred by the Debenture has arisen or become exercisable, or whether any of the Secured Obligations remain outstanding or be concerned with notice to the contrary, or whether any event has happened to authorise the Receiver to act or as to the propriety or validity of the exercise or purported exercise of any such power and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters.
- 8.2 The receipt of the Lender or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any moneys paid to or by the direction of the Lender or any Receiver.
- 8.3 In section 8 of this Appendix 2 "purchaser" includes any person acquiring, for money or money's worth, any lease of, or Security Interest over, or any other interest or right whatsoever in relation to, the Charged Property.

9 PROTECTION OF THE LENDER AND RECEIVER

- 9.1 Neither the Lender nor any Receiver shall be liable in respect of all or any part of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective

powers, unless such loss or damage is caused by its or his gross negligence or wilful acts of default and recklessness.

- 9.2 Without prejudice to the generality of section 8 of this Appendix 2, entry into possession of the Charged Property shall not render the Lender or the Receiver liable to account as mortgagee in possession and if and whenever the Lender enters into possession of the Charged Property, it shall be entitled at any time at its discretion to go out of such possession.

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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. 00888788

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 6th FEBRUARY 2006 AND CREATED BY HEMMINGS WASTE MANAGEMENT LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO OLIVE MARY NICHOLS 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 FEBRUARY 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 22nd FEBRUARY 2006.

p. Cer



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES