

MR01

Particulars of a charge

028159 / 6520

Oyez

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ What this form is for
You may use this form to register
a charge created or evidenced by
an instrument

☒ What this form is NOT
You may not use this form to
register a charge where
instrument Use form M

FRIDAY



L30958VT

LD5

24/01/2014

#56

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery

☐ You must enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record

1 Company details

Company number 0 1 5 6 7 4 5 3

Company name in full FCC Environmental Services Limited
(the *Company*)

For official use

Filing in this form
Please complete in typescript or in
bold black capitals
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 2 2 0 1 2 0 1 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name GLAS Nominees Limited
(the *Security Trustee*)

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

The debenture dated 22 January 2014 between, amongst others, the Company and the Security Trustee creates fixed security over certain real property and intellectual property rights owned by the Company

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

MR01

Particulars of a charge

8

Trustee statement ¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

¹ This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

×

Handwritten signature

×

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name	Peter Mason
Company name	Freshfields Bruckhaus Deringer LLP
	162590-0001
Address	65 Fleet Street
	London
	England
Post town	United Kingdom
Country/Region	
Postcode	E C 4 Y 1 H S
Country	
DX	DX 23 London/Chancery Lane
Telephone	020 7936 4000



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 NR Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1567453

Charge code: 0156 7453 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd January 2014 and created by FCC ENVIRONMENTAL SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 24th January 2014.

Given at Companies House, Cardiff on 28th January 2014



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

22 January 2014

CERTAIN COMPANIES
as Chargors

GLAS NOMINEES LIMITED
as Security Agent

SECURITY AGREEMENT

This Deed is entered into subject to the terms of the
Intercreditor Agreement

[

CERTIFIED A TRUE AND COMPLETE COPY
OF THE ORIGINAL *save for material redacted pursuant to section 859G of the Companies
Act 2006*

[Signature]
FRESHFIELDS BRUCKHAUS DERINGER LLP
65 FLEET STREET
LONDON
EC4Y 1HS



Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS

CONTENTS

CLAUSE	PAGE
1 INTERPRETATION.. .. .	3
2. COVENANT TO PAY	9
3. CREATION OF SECURITY.	9
4. CONVERSION OF FLOATING CHARGE.. . . .	11
5 RELEASE AND REASSIGNMENT	12
6. PROVISIONS RELATING TO SECURITY	12
7 RESTRICTION ON DEALINGS	15
8. REPRESENTATIONS AND WARRANTIES	16
9 REAL PROPERTY	18
10 MONETARY CLAIMS	21
11 ACCOUNTS	22
12 INVESTMENTS..... .	23
13 INSURANCE	25
14 HEDGING DOCUMENTS	26
15 INTELLECTUAL PROPERTY	27
16. ENFORCEMENT OF SECURITY.. . . .	27
17 ADMINISTRATOR...	30
18 RECEIVER..... .	30
19. DELEGATION...	32
20 PRESERVATION OF SECURITY	33
21 FURTHER ASSURANCES	35
22. POWER OF ATTORNEY	36
23 APPLICATION OF PROCEEDS	37
24 CHANGES TO PARTIES	37
25 MISCELLANEOUS	37
26. PARTIAL INVALIDITY	38
27 NOTICES	38
28 COUNTERPARTS	39
29 GOVERNING LAW AND ENFORCEMENT	39
SCHEDULE 1 ORIGINAL CHARGORS	41
SCHEDULE 2 SECURITY ASSETS..... .	43
SCHEDULE 3 NOTICE FOR ACCOUNTS.	51
SCHEDULE 4 NOTICE FOR INSURANCE POLICIES.. . . .	55
SCHEDULE 5 NOTICE FOR HEDGING DOCUMENTS.	58
SCHEDULE 6 FORM OF DEED OF ACCESSION	61

THIS DEED is made on 22 January 2014

BETWEEN.

AZINCOURT INVESTMENT S.L.U., a company incorporated under the laws of Spain with tax company number (*Código de Identificación Fiscal*) B-84825793 (the *Parent*),

THE COMPANIES listed in Schedule 1 as chargors (together with the Parent, the *Original Chargors* and each an *Original Chargor*); and

GLAS NOMINEES LIMITED, for itself and as agent and trustee for each of the other Secured Parties (as defined below) (the *Security Agent*)

WHEREAS.

(A) Each Chargor is required to enter into this Deed in connection with the Senior Facilities Agreement, the Implementation Agreement and the Relevant Finance Documents

(B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows

1. INTERPRETATION

1.1 Definitions

In this Deed, unless the context otherwise requires, (a) words and expressions defined in the Senior Facilities Agreement shall have the same meaning, and (b) the following words and expressions shall have the meanings given to them in this Clause 1.1.

1992 ISDA Master means the International Swap Dealers Association, Inc., 1992 master agreement.

2002 ISDA Master means the International Swap Dealers Association, Inc., 2002 master agreement

ABL Security Agent means the Security Trustee as defined under the ABL Facility Agreement

Accession Document means a deed of accession substantially in the form set out in Schedule 6 (*Form of Deed of Accession*) (or such other form as the Security Agent and the Parent may approve)

Account means a

- (a) Holding Account,
- (b) Mandatory Prepayment Account, or
- (c) any other account opened or maintained by it (other than an Excluded Account, the Debt Reserve Account, a Holding Account or a Mandatory Prepayment Account and including any replacement account or subaccount of such account),

and, in each case, all Related Rights

Account Bank means any bank, building society, financial institution or other person with whom an Account is maintained by a Chargor

Additional Chargor means a person who has acceded to this Deed as an Additional Chargor by executing an Accession Document

Agent means Banco Bilbao Vizcaya Argentaria, S A in its capacity as Agent under the Senior Facilities Agreement

Chargor means each Original Chargor and each Additional Chargor.

Default Interest Rate means the rate determined in accordance with Clause 12.3 (*Default interest*) of the Senior Facilities Agreement

Dormant Account means each of:

- (a) the account held in the name of BDR Waste Disposal Limited (sort code [REDACTED] account number [REDACTED]),
- (b) the account held in the name of BDR Waste Disposal Limited (sort code [REDACTED] account number [REDACTED]);
- (c) the account held in the name of Derbyshire Waste Limited (sort code [REDACTED] account number [REDACTED]); and
- (d) the account held in the name of Derbyshire Waste Limited (sort code [REDACTED] account number [REDACTED]).

Event of Default means an Event of Default (as defined in the Senior Facilities Agreement) or an Event of Default (as defined in the ABL Facility Agreement).

Excluded Account means each of

- (a) the account held in the name of FCC Environment (Berkshire) Limited (sort code [REDACTED] account number [REDACTED]) and maintained as an operations and maintenance collateral account,
- (b) the account held in the name of FCC Environment (Lincolnshire) Limited (sort code [REDACTED] account number [REDACTED]) and maintained for the purpose of holding joint insurance proceeds, and
- (c) the account held in the name of FCC Environment (UK) Limited (sort code: [REDACTED] account number: [REDACTED]) and maintained for the purpose of holding life insurance proceeds

Excluded Shares means:

- (a) the shares in Citrus Pension Plan Trustee Limited owned legally or beneficially by each of BDR Waste Disposal Limited, Derbyshire Waste Limited, East Waste Limited, FCC Environment Limited and WasteNotts O&M Limited,

- (b) unless BDR Property Limited is or becomes a wholly owned Subsidiary of the Parent, the shares in BDR Property Limited owned legally or beneficially by FCC Environment (UK) Limited; and
- (c) unless Shelford Composting Limited is or becomes a wholly owned Subsidiary of the Parent, the shares in Shelford Composting Limited owned legally or beneficially by Waste Recycling Group (Central) Limited

FCCE means FCC Environment (UK) Limited, a company incorporated under the laws of England and Wales with registered number 02902416 having its registered office at Ground Floor West, 900 Pavilion Drive, Northampton Business Park, Northampton NN4 7RG

Final Discharge Time has the meaning given to it in the Intercreditor Agreement

Future Acquired Property has the meaning given to it in Clause 9.3 (*Acquisitions of Real Property*)

Group Shares means, in relation to a Chargor, the shares in any member of the Group other than the Excluded Shares owned legally or beneficially by it or held by the Security Agent or any nominee on its behalf (including the shares identified in respect of that Chargor in Part B of Schedule 2 (*Security Assets*) (if any)) and all Related Rights

Hedging Document has the meaning given to it in the Senior Facilities Agreement

Holding Account means, in relation to a Chargor:

- (a) any of its accounts specified as such in Part C of Schedule 2 (*Accounts*) and all Related Rights, and
- (b) any other account so designated by a Chargor and the Security Agent and all Related Rights

Initial Report on Title means a report on title relating to any of the Specified Real Property pursuant to clause 2(a)(vi) of the Implementation Agreement and provided to the Security Agent on or about the Closing Date.

Insolvency Proceedings means (subject to paragraph (b) of Clause 26.7 (*Insolvency Proceedings*) of the Senior Facilities Agreement) the taking of any corporate action, legal proceedings or other procedure referred to in paragraph (a) of Clause 26.7 (*Insolvency proceedings*) of the Senior Facilities Agreement in respect of that Chargor

Instructing Group has the meaning given to it in the Intercreditor Agreement

Insurance Policy means, in relation to a Chargor, any contract or policy of insurance of any kind details of which are set out in Part D of Schedule 2 (*Insurance Policies*) or any future contract or policy of insurance taken out by or on behalf of such Chargor but excluding, for the avoidance of doubt, any third party liability insurance policies and/or liability policies or any part of an insurance policy that would be reasonably classified as a third party liability insurance policy and/or liability policy as may be determined by the Security Agent (acting reasonably) from time to time and all Related Rights.

Intellectual Property means (i) any patents, trade marks, service marks, designs, logos, trade names, domain names, copyrights (including rights in computer software), database rights, semi-conductor topography rights, utility models, rights in designs, rights in get up, rights in

inventions, rights in know-how, moral rights and other intellectual property rights and interests (which may now or in the future subsist), in each case whether registered or unregistered, and (ii) the benefit of all applications and all rights to use such assets (which may now or in the future subsist) and *registered* includes registrations and applications for registration

Investments means, in relation to a Chargor, any stock, share, debenture, loan stock, security, bond, warrant, coupon, interest in any investment fund and any other investment (whether or not marketable), other than the Excluded Shares, whether held directly by or to the order of that Chargor or by any trustee, fiduciary or clearance system on its behalf (including the Group Shares and any Cash Equivalent Investments) and all Related Rights.

Kirkless Property means the leasehold property known as the Kirkless Waste Transfer Station and MRF site located at Makerfield Way, Kirkless, Higher Ince occupied under a development agreement and agreement for lease dated 8 March 2002 between Wigan Borough Council and Landfill Management Limited

Land Registry means H M Land Registry.

Liabilities has the meaning given to it in the Intercreditor Agreement

Mandatory Prepayment Account means, in relation to a Chargor

- (a) any of its accounts specified as such in Part C of Schedule 2 (*Accounts*) and all Related Rights; and
- (b) any other account so designated by a Chargor and the Security Agent and all Related Rights

Material Real Property means the Specified Real Property together with any Replacement Property and any Future Acquired Property and in the case of each such property, all Related Rights

Monetary Claims means, in relation to a Chargor, any book and other debts and monetary claims owing to that Chargor (other than in respect of any Account) and all Related Rights

Municipal Contract has the meaning given to it in Clause 6(d)(viii)

Real Property means, in relation to a Chargor

- (a) any freehold, leasehold, licence or other interest in any immovable property (including the property identified in respect of that Chargor in Part A of Schedule 2 (*Security Assets*) (if any)) and all Related Rights; and
- (b) any buildings, trade and other fixtures or fittings forming part of such property and all Related Rights

Receiver means a receiver and manager or other receiver appointed under this Deed in respect of the Security Assets and shall, if allowed by law, include an administrative receiver

Related Rights means, in relation to any asset

- (a) all rights under any licence, agreement for sale or agreement for lease or other use in respect of all or any part of that asset,

- (b) all rights, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantees or indemnities in respect of any part of that asset,
- (c) the proceeds of sale of all or any part of that asset, and
- (d) any other moneys paid or payable in respect of that asset

Relevant Finance Documents means the Finance Documents (as defined in the Senior Facilities Agreement) and the Finance Documents (as defined in the ABL Facility Agreement)

Replacement Property has the meaning given to it in Clause 6(d) (*Provisions Relating to Security*)

Secured Obligations has the meaning given to it in the Intercreditor Agreement.

Secured Parties has the meaning given to it in the Intercreditor Agreement

Security Assets means all the assets and undertaking of each Chargor from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) pursuant to this Deed

Senior Facilities Agreement means the senior facilities agreement dated on or about the date of this Deed between, amongst others, the Parent and the Agent

Skanska Trademark means the "Low Impact Living" trademark owned by FCC Environment (UK) Limited and Skanska Infrastructure Development UK Limited with the trade mark number UK00002638404 entered into the United Kingdom Intellectual Property Office Registry on 8 February 2013.

Specified Intellectual Property means, in relation to a Chargor, the Intellectual Property identified in Part E of Schedule 2 (*Security Assets*) and any other Intellectual Property notified to the Security Agent pursuant to Clause 15.2 (*Other undertakings*) and (in each case) all Related Rights

Specified Real Property means, in relation to a Chargor

- (a) the property identified in respect of that Chargor in Part A of Schedule 2 (*Security Assets*) (if any), and
- (b) any buildings, trade and other fixtures or fittings forming part of such property and all Related Rights

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)

1.2 Construction

- (a) The provisions of Clause 1.2 (*Construction*) of the Senior Facilities Agreement shall apply to this Deed as if set out in full with references to "this Agreement" being treated as references to this Deed.

- (b) A reference in this Deed to any stock, share, debenture, loan stock, security, bond, warrant, coupon, interest in any investment fund and any other investment includes
 - (i) all dividends, interest, coupons and other distributions paid or payable,
 - (ii) all stocks, shares, securities, rights, moneys, allotments, benefits and other assets accruing or offered at any time by way of redemption, substitution, conversion, exchange, bonus or preference, under option rights or otherwise, and
 - (iii) any rights against any clearance system and any right under any custodian or other agreement,

in relation to that stock, share, debenture, loan stock, security, bond, warrant, coupon, interest in any investment fund or other investment
- (c) The terms of the other Relevant Finance Documents and of any side letters relating to the Relevant Finance Documents are incorporated in this Deed to the extent required for any contract for the purported disposition of any Security Assets contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (d) The fact that the details of any assets in the Schedules are incorrect or incomplete shall not affect the validity or enforceability of this Deed in respect of the assets of any Chargor.
- (e) The term *set-off* includes analogous rights and obligations in other jurisdictions

1.3 Trustee Act 1925 and Trustee Act 2000

- (a) Section 1 of the Trustee Act 2000 shall not apply to any function of the Security Agent. Where there are any inconsistencies between the Trustee Act 1925 and the Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000
- (b) For the avoidance of doubt:
 - (i) the Security Agent may retain or invest in securities payable to bearer without appointing a person to act as a custodian, and
 - (ii) sections 22 and 23 of the Trustee Act 2000 shall not apply to this Deed.

1.4 Third parties

- (a) Except as otherwise expressly provided in Clause 16 6(a) (*Protection of third parties*) or elsewhere in this Deed, the terms of this Deed may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded
- (b) Notwithstanding any term of this Deed and subject to Clause 1 3 (*Third party rights*) of the Intercreditor Agreement, no consent of a third party is required for any termination or amendment of this Deed

2. COVENANT TO PAY

- (a) Each Chargor, as primary obligor and not merely as surety, covenants with the Security Agent that it will pay or discharge promptly on demand all of the Secured Obligations on the date(s) on which such Secured Obligations are expressed to become due and in the manner provided for in the relevant Finance Document
- (b) Each Chargor acknowledges to the Security Agent that the amount secured by this Deed and in respect of which this Deed and the security hereby created is enforceable is the full amount of the Secured Obligations

3. CREATION OF SECURITY

3.1 Legal mortgages

Each Chargor charges and agrees to charge in favour of the Security Agent by way of first legal mortgage the Specified Real Property vested in it on the date of this Deed.

3.2 Fixed charges

Each Chargor charges and agrees to charge in favour of the Security Agent by way of first fixed charge all its rights, title and interest from time to time in and to

- (a) the Real Property (to the extent not the subject of a mortgage under Clause 3 1 (*Legal mortgages*)),
- (b) the Investments,
- (c) any plant and machinery, vehicles, office equipment, computers and other chattels (excluding any forming part of its stock in trade or work in progress) and all Related Rights;
- (d) the Accounts,
- (e) to the extent not effectively assigned under Clause 3 3 (*Insurance Policies*), the Insurance Policies to which it is party;
- (f) any goodwill and rights in relation to its uncalled capital,
- (g) the benefit of all consents and agreements held by it in connection with the use of any of its assets,
- (h) the Specified Intellectual Property, and
- (i) the Monetary Claims.

3.3 Insurance Policies

Each Chargor assigns and agrees to assign by way of security, absolutely and unconditionally, to the Security Agent all its rights, title and interest from time to time in and to the Insurance Policies

3.4 Hedging Documents

Each Chargor as continuing security hereby:

- (a) assigns absolutely by way of security (subject to a proviso for reassignment on redemption and to the required consent of any third party being obtained) all of the Chargor's present and future rights, title and interest (and all entitlements or other benefits relating thereto) under any Hedging Document including, without limitation, all moneys received in respect thereof, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof, subject and without prejudice to
 - (i) the payment netting provisions set out in section 2(c) of the 1992 ISDA Master and/or section 2(c) of the 2002 ISDA Master,
 - (ii) the close-out netting provisions set out in section 6(e) of the 1992 ISDA Master and/or section 6(e) of the 2002 ISDA Master; and
 - (iii) the set-off provision set out in the Schedule to the 1992 ISDA Master (if any) and/or section 6(f) of the 2002 ISDA Master (if applicable),

notwithstanding the extent to which such 1992 ISDA Master or 2002 ISDA Master is amended by its Schedule, as such term is referred to in the relevant 1992 ISDA Master or 2002 ISDA Master; and

- (b) to the extent not assigned under paragraph (a) above, charges by way of a first fixed charge and first priority security interest all of the Chargor's present and future rights, title and interest (and all entitlements or other benefits relating thereto) under any Hedging Document, including, without limitation, all moneys received in respect thereof, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof, subject and without prejudice to
 - (i) the payment netting provisions set out in section 2(c) of the 1992 ISDA Master and/or section 2(c) of the 2002 ISDA Master,
 - (ii) the close-out netting provisions set out in section 6(e) of the 1992 ISDA Master and/or section 6(e) of the 2002 ISDA Master, and
 - (iii) the set-off provision set out in the Schedule to the 1992 ISDA Master (if any) and/or section 6(f) of the 2002 ISDA Master (if applicable),

notwithstanding the extent to which such 1992 ISDA Master or 2002 ISDA Master is amended by its Schedule, as such term is referred to in the relevant 1992 ISDA Master or 2002 ISDA Master

3.5 Floating charge

- (a) Each Chargor charges in favour of the Security Agent by way of first floating charge all its present and future undertaking and assets of whatever type and wherever located, apart from over any Excluded Accounts or any Excluded Shares, to the extent that

- (i) the grant of a floating charge over such Excluded Account or Excluded Share breaches or would breach a term of an agreement binding on that Chargor in respect of that Excluded Account or Excluded Share because there is an absolute prohibition in such agreement and/or the consent of a person (other than a member of the Group) has not been obtained, and
 - (ii) to obtain a waiver from each relevant counterparty, or the consent of such person, would (in each case) not be practicable (taking into account the interests and operations of its business and/or the business of the Group)
- (b) The floating charge created by each Chargor pursuant to paragraph (a) of this Clause 3.4 shall be deferred in point of priority to all other Security created pursuant to this Deed.
- (c) The floating charge created by each Chargor pursuant to paragraph (a) of this Clause 3.4 is a "qualifying floating charge" for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986. Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Deed.

4. CONVERSION OF FLOATING CHARGE

4.1 Conversion by notice

The Security Agent may by notice in writing to a Chargor convert the floating charge created by that Chargor under Clause 3.5(a) (*Floating charge*) with immediate effect into fixed charges (on terms not more onerous than those contained in this Deed) as regards all or any of such Chargor's assets, rights and property specified in the notice if:

- (a) an Event of Default is continuing; or
- (b) the Security Agent acting reasonably considers any Security Asset subject to such floating charge to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in immediate jeopardy; or
- (c) the Security Agent considers that such conversion is necessary in order to protect the value of the Security Assets or the priority of the Security created pursuant to this Deed.

4.2 Automatic conversion

The floating charge created under Clause 3.5(a) (*Floating charge*) shall automatically and immediately be converted into a fixed charge (on terms not more onerous than those contained in this Deed) over all of a Chargor's assets, rights and property not already subject to an effective fixed charge

- (a) if that Chargor takes any step to create any Security in breach of Clause 7 (*Restriction on dealings*) over any of the Security Assets subject to such floating charge; or
- (b) if any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Security Assets subject to such floating charge; or
- (c) upon the initiation of Insolvency Proceedings

4.3 Moratorium

The floating charge created under Clause 3 5(a) (*Floating charge*) may not be converted into a fixed charge solely by reason of the obtaining of a moratorium or anything done with a view to obtaining a moratorium under the Insolvency Act 2000.

4.4 Reconversion to floating charge

Any floating charge which has crystallised under Clause 4 1 (*Conversion by notice*) or Clause 4 2 (*Automatic conversion*) may by notice in writing given at any time by the Security Agent (acting on the unanimous instructions of each Secured Party) to the relevant Chargor be reconverted into a floating charge under Clause 3 5(a) (*Floating charge*) in relation to the assets, rights and property specified in such notice.

5. RELEASE AND REASSIGNMENT

Upon the irrevocable payment, discharge and performance of all of the Secured Obligations (but subject to Clause 6(h) (*Provisions relating to Security*)) the Security Agent shall, at the request and cost of the Parent.

- (a) release and re-assign to the relevant Chargor, or discharge (as appropriate), the rights, title and interest in and to the Security Assets; and
- (b) execute such notices and directions to any persons as the relevant Chargor may reasonably require in order to give effect to such release and re-assignment,

in each case, without recourse to or any representation or warranty by any Secured Party or any other person

6. PROVISIONS RELATING TO SECURITY

- (a) All Security created pursuant to this Deed
 - (i) is created in favour of the Security Agent for itself and on behalf of each of the other Secured Parties,
 - (ii) is created over the present and future assets of each Chargor, and
 - (iii) is continuing security for the payment, discharge and performance of all of the Secured Obligations and will extend to the ultimate balance of all sums payable under the Relevant Finance Documents regardless of any intermediate payment or discharge in whole or in part
- (b) The Security created pursuant to this Deed shall be in addition to and not in substitution for or derogation of any other security (whether given by the Chargors or otherwise) now or from time to time hereafter held by the Security Agent or any other Secured Party in respect of or in connection with any or all of the Secured Obligations.
- (c) If a Chargor purports to assign or charge (absolutely or by way of first fixed charge) an asset other than Real Property under this Deed and such assignment or charge breaches a term of an agreement binding on that Chargor in respect of that asset because (i) the consent of a person (other than a member of the Group) has not been obtained or (ii) such assignment or charge is absolutely prohibited

- (i) that Chargor shall notify the Security Agent as soon as reasonably practicable,
 - (ii) subject to paragraph (iv) of this Clause 6(c), the relevant assignment or fixed charge hereunder will extend to (to the extent no breach of the relevant agreement would occur) the Related Rights in respect of that asset but will exclude the asset itself,
 - (iii) unless the Security Agent otherwise requires, that Chargor shall use all reasonable endeavours to obtain the consent of the relevant person or a waiver of such absolute prohibition as applicable and, if obtained, shall promptly provide a copy of that consent or waiver to the Security Agent, and
 - (iv) if the consent or waiver is obtained, the relevant asset shall become subject to the Security created pursuant to this Deed in favour of the Security Agent under Clause 3 2 (*Fixed charges*) or Clause 3 3 (*Assignments*) as applicable
- (d) Subject to paragraph (viii) below, if a Chargor purports or is required to mortgage or charge any Real Property under this Deed and such mortgage or charge breaches or would breach a term of an agreement binding on that Chargor in respect of that Real Property (the *Excluded Property*) because (i) the consent of a person (other than a member of the Group) has not been obtained or (ii) such mortgage or charge is absolutely prohibited:
- (i) upon becoming aware of such breach or potential breach, that Chargor shall notify the Security Agent as soon as reasonably practicable,
 - (ii) subject to paragraph (vi) of this Clause 6(d), the relevant mortgage or fixed charge hereunder will extend to (to the extent no breach of the relevant agreement would occur) the Related Rights in respect of the Excluded Property but will exclude the Excluded Property itself;
 - (iii) upon receiving a notice issued by a Chargor pursuant to sub-clause (i) above, the Security Agent shall, if that Chargor so requests and to the extent reasonably practicable provide that Chargor with the opportunity to make representations regarding the commercial impact of seeking a consent or waiver (as applicable) in relation to the Excluded Property,
 - (iv) without prejudice to paragraphs (v) to (vii) below, having due consideration of the representations made by the relevant Chargor, the Security Agent may waive the requirement on the Chargor to obtain the consent of the relevant person or a waiver of such absolute prohibition as applicable;
 - (v) unless the Security Agent otherwise requires in accordance with sub-clause (iv) above, that Chargor shall use all reasonable endeavours to obtain the consent of the relevant person or a waiver of such absolute prohibition as applicable and, if obtained, shall as soon as reasonably practicable provide a copy of that consent or waiver to the Security Agent;
 - (vi) if consent or waiver is obtained, the Excluded Property shall become subject to the Security created pursuant to this Deed in favour of the Security Agent under Clause 3 1 (*Legal mortgages*) or Clause 3 2 (*Fixed charges*) as applicable, and

- (vii) if the consent or waiver is not obtained within 35 Business Days of the date of this Deed (including, for the avoidance of doubt, because the Security Agent has waived the requirement to obtain such consent or waiver under sub-clause (iv) above):
- (A) the Excluded Property shall remain subject to the floating charge created pursuant to Clause 3.4 (*Floating charge*), unless the landlord of such Excluded Property takes steps to forfeit or curtail a Chargor's interest in such Excluded Property or the Chargor being otherwise materially prejudiced by action taken by such third party by virtue of the continued subsistence of the floating charge over such Excluded Property, in such instance, the Chargor shall notify the Security Agent in writing and the Security Agent shall promptly thereafter execute such documents as shall be necessary to release such Excluded Property from the floating charge created by Clause 3.4 (*Floating Charge*); and
- (B) on the Security Agent's instruction and where the Excluded Property is a Specified Real Property, the Chargors shall (and the Parent shall procure that the Chargors shall), if the Security Agent so requires, provide to the Security Agent details of other Real Property, not being Specified Real Property and not being Real Property to which any consent or waiver has been refused pursuant to this Clause 6(d), vested in them with the intent that the Security Agent may identify a maximum of four Real Properties per Excluded Property vested in any member or members of the Group or the FOCSA Group of an aggregate value (i) not less than that of the relevant Excluded Property and (ii) not more than 120 per cent of the value of the relevant Excluded Property (other than as agreed between the Parent and the Security Agent), and otherwise acceptable to the Security Agent (the *Replacement Property*) and as soon as reasonably practicable upon the Security Agent selecting such Replacement Property the relevant Chargor or Chargors in which such Real Property is vested shall at its or their cost execute and deliver to the Security Agent a legal mortgage of the Replacement Property in favour of the Security Agent in substantially the form of this Deed or otherwise in any such form as the Security Agent may require and if the title to the Replacement Property is registered at the Land Registry or required to be so registered, make (as applicable) a due application for registration of that Chargor as proprietor of the Replacement Property and of the Security Agent as proprietor of the legal mortgage, and in any event take all necessary steps for the noting of the Security created pursuant to this Deed in the relevant register of title at the Land Registry
- (viii) If a Chargor purports or is required to mortgage or charge any Real Property under this Deed:
- (A) that has been or will be acquired by a Chargor where that Chargor acts as a contractor under a local authority or municipal contract for the provision of municipal, environmental and waste management services (a *Municipal Contract*);

- (B) that is occupied by such Chargor solely for the purposes of carrying out its obligations under that Municipal Contract; and
- (C) over which the grant of a mortgage or charge in relation to that Real Property in favour of the Security Agent is absolutely prohibited by the terms of that Municipal Contract,

in each case, no such mortgage or charge is or required to be created by that Chargor under this Deed.

- (e) If a Chargor purports to mortgage or charge any Real Property under this Deed and the Chargor is required to give notice to any third-party (a *Third-Party Recipient*) of such mortgage or charge, that Chargor shall, upon becoming aware of such requirement, serve any required notice on the relevant Third-Party Recipient and shall include a request to the Third-Party Recipient that an acknowledgment of the notice be returned to Freshfields Bruckhaus Deringer LLP (with reference 162590 0001-RPB/AJG/PGLH) as solicitors to the Agent as to English law and if a fee is required by the Third-Party Recipient then a cheque for such amount shall be provided to the Third-Party Recipient with the notice or where the amount of the fee is not known as at the date of service of the notice within a reasonable time
- (f) The Security Agent holds the benefit of this Deed on trust for itself and each of the other Secured Parties
- (g) The Security created pursuant to this Deed by each Chargor is made with full title guarantee under the Law of Property (Miscellaneous Provisions) Act 1994
- (h) If the Security Agent considers that an amount paid to a Secured Party under a Relevant Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then the Security and the liability of each Chargor under this Deed shall continue and that amount will not be considered to have been irrevocably paid for the purposes of this Deed
- (i) The fact that the details of the Specified Real Property in Part A of Schedule 2 (*Specified Real Property*) are incorrect or incomplete shall not affect the validity or enforceability of this Deed in respect of that Specified Real Property and the Chargors acknowledge that the Specified Real Property is intended to extend to all land belonging to any Chargor at each property referred to in Part A of Schedule 2 (*Specified Real Property*) and to the extent that any Chargor has any interest in land at any such property in addition to that registered with the title numbers listed in Part A of Schedule 2 (*Specified Real Property*) such additional interest shall form part of the Specified Real Property

7. RESTRICTION ON DEALINGS

No Chargor may

- (a) create or permit to subsist any Security on any of the Security Assets, 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) assign, charge, transfer or dispose of all or any part of its rights, title and interest in and to the Security Assets,

unless expressly permitted to do so under the Relevant Finance Documents

8. REPRESENTATIONS AND WARRANTIES

Each Chargor represents and warrants to each Secured Party as follows.

8.1 Accuracy of Information

As at the date of this Deed, Schedule 2 (*Security Assets*) identifies

- (a) all of the Real Property (except the Kirkless Property) with a net book value of greater than £2,000,000 (two million pounds sterling) in which it has any interest (whether direct or indirect),
- (b) all of the non-Spanish Investments in which it has any interest (whether direct or indirect),
- (c) all of the Accounts (except any Accounts held in Spain) in which it has any interest (whether direct or indirect), and
- (d) all of the Intellectual Property capable of registration at the United Kingdom Intellectual Property Office in which it has any interest that it considers (acting reasonably) is required to conduct its business or any part of it

8.2 Investments

- (a) The Investments which it purports to mortgage or charge under this Deed are duly authorised, validly issued and fully paid
- (b) It has not nominated any person to enjoy or exercise any right relating to the Investments pursuant to Part 9 of the Companies Act 2006 or otherwise

8.3 Insurance Policies and Hedging Documents

- (a) Its obligations under each Insurance Policy or Hedging Document to which it is a party are valid, legally binding and, subject to the Legal Reservations, enforceable in accordance with their terms
- (b) Each Hedging Document to which it is a party is in full force and effect and it is not in breach of any material term or material condition of any Hedging Document to which it is a party.
- (c) So far as it is aware, having made due and careful enquiry, there is no prohibition on assignment by way of security in any Insurance Policy or Hedging Document to which it is party and the entry into and performance by it of this Deed does not conflict in any material respect with any term of any Insurance Policy or Hedging Document to which it is party, in each case other than where it has given notice of such prohibition or conflict to the Security Agent in writing
- (d) All payments to it by any other party to a Hedging Document are not subject to any right of set-off or similar right (other than, in respect of any Hedging Document, any right of set-off or similar right set out in.
 - (i) the payment netting provisions set out in section 2(c) of the 1992 ISDA Master and/or section 2(c) of the 2002 ISDA Master;

- (ii) the close-out netting provisions set out in section 6(e) of the 1992 ISDA Master and/or section 6(e) of the 2002 ISDA Master, and
- (iii) the set-off provision set out in the Schedule to the 1992 ISDA Master (if any) and/or section 6(f) of the 2002 ISDA Master (if applicable),

notwithstanding the extent to which such 1992 ISDA Master or 2002 ISDA Master is amended by its Schedule, as such term is referred to in the relevant 1992 ISDA Master or 2002 ISDA Master

- (e) Any copy of an Insurance Policy or Hedging Document supplied to a Finance Party or its advisors on or prior to the date of this Deed is true and complete and contains all provisions relating to the Security Assets in each case as at the date on which it was supplied

8.4 Security Assets

- (a) In respect of the Group Shares, the Accounts, the Insurance Policies, the Specified Real Property and the Specified Intellectual Property:
 - (i) it is the sole legal and beneficial owner, and absolutely entitled to the assets it purports to mortgage, charge or assign under this Deed save, where relevant, in respect of:
 - (A) the legal ownership of any of its Investments registered in the name of its nominee or in the name of the Security Agent (or its nominee) pursuant to this Deed,
 - (B) the legal and beneficial ownership of the Skanska Trademark; and
 - (C) Specified Real Property as disclosed in any Initial Report on Title or any report on title provided to the Security Agent under paragraph 9.4(e)(ii) (*Other Undertakings*), and
 - (ii) subject to the Legal Reservations, no Security or Quasi-Security exists over all or any of the assets it purports to grant Security over under this Deed other than as expressly permitted under the Relevant Finance Documents
- (b) In respect of all of its assets other than those referred to in clause (a) above that, to the best of its knowledge and belief, having undertaken reasonable investigation
 - (i) it is the sole legal and beneficial owner and absolutely entitled to the assets it purports to mortgage, charge or assign under this Deed (save, where relevant, in respect of the legal ownership of any of its Investments registered in the name of its nominee or in the name of the Security Agent (or its nominee) pursuant to this Deed); and
 - (ii) subject to the Legal Reservations, no Security or Quasi-Security exists over all or any of the assets it purports to grant Security over under this Deed other than as expressly permitted under the Relevant Finance Documents

8.5 Times for making representations and warranties

The representations and warranties set out in this Clause 8 (*Representations and warranties*)

- (a) are made by each Chargor on the date of this Deed; and
- (b) (other than the representations and warranties set out in Clause 8.1 (*Accuracy of Information*)) are deemed to be repeated by each Chargor on each date prior to the Final Discharge Time on which any of the representations and warranties set out in Clause 22 (*Representations*) of the Senior Facilities Agreement are repeated,

in each case by reference to the circumstances existing at that time

9. REAL PROPERTY

9.1 Documents of title relating to Real Property

Each Chargor shall, on the date of this Deed, deposit all deeds and documents of title relating to its Specified Real Property with the Security Agent (or as it shall direct) and thereafter, on or after the acquisition by that Chargor of any interest in any Material Real Property, deposit all deeds and documents of title relating to such Material Real Property with the Security Agent (or as it shall direct). The Security Agent is entitled to hold and retain all such deeds and documents of title until the Final Discharge Time or, if earlier, until the Material Real Property to which such deeds or documents of title relate is released from the Security created pursuant to this Deed in accordance with the Relevant Finance Documents.

9.2 Land Registry

Each Chargor undertakes to make or procure that there is made a due application to the Land Registry in respect of any Material Real Property that is registered land (with the Chargor's consent as proprietor of the relevant registered estate).

- (a) to enter a restriction in the following terms on the relevant register of title

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge in the security agreement dated [] in favour of [] (as agent and trustee for itself and each of the other Secured Parties referred to in that security agreement) or its conveyancer", and

- (b) to enter an obligation to make further advances on the relevant register of title

9.3 Acquisitions of Real Property

- (a) Each Chargor shall notify the Security Agent of the acquisition of or in relation to any Real Property (the *Future Acquired Property*) no later than 5 Business Days after the end of the Month in which such Future Acquired Property is acquired and shall

- (i) other than in relation to.

- (A) any Real Property

- (I) that is acquired by a Chargor pursuant to the terms of or in relation to a Municipal Contract,

- (II) that is occupied by such Chargor solely for the purposes of carrying out its obligations under that Municipal Contract, and
- (III) over which the grant of a legal mortgage in relation to that Real Property in favour of the Security Agent is absolutely prohibited by the terms of that Municipal Contract, or
- (B) any lease or licence relating to the installation and monitoring of boreholes and to any associated monitoring equipment granted in favour of a Chargor where the rent payable by that Chargor is no greater than £1,500 per borehole per annum;
- (C) any Real Property which is leasehold not granted for a premium with an original term of less than 21 years where the rent payable by the relevant Chargor is less than £50,001 per annum unless the aggregate rent payable for all such Real Property acquired in the 12 months by all members of the Group prior to the grant or acquisition of such lease exceeds £400,000 per annum,
- (D) any Real Property which is leasehold where the unexpired term of the lease is less than seven years, or
- (E) any Real Property which is acquired by a Chargor and has a market value of less than £200,000 unless the aggregate market value of all such Real Property acquired by all members of the Group in the 12 months prior to such acquisition exceeds £1,000,000,

promptly following a request by the Security Agent and at the cost of the relevant Chargor, execute and deliver to the Security Agent a legal mortgage of that Future Acquired Property in favour of the Security Agent in any form (consistent with this Deed) as the Security Agent may require;

- (ii) if the title to that Future Acquired Property is registered at the Land Registry or required to be so registered, make (as applicable) a due application for registration of that Chargor as proprietor of the Future Acquired Property and of the Security Agent as proprietor of any legal mortgage entered into pursuant to paragraph (i) of this Clause 9.3, and
- (iii) in any event take all necessary steps for the noting of the Security created pursuant to this Deed in the relevant register of title at the Land Registry

9.4 Other undertakings

(a) Each Chargor shall

- (i) keep its Real Property in good and substantial repair and condition, fair wear and tear excepted,
- (ii) perform and observe in all material respects all the covenants, conditions and stipulations (whether as landlord or tenant) in any lease, agreement for lease or other right to occupy in respect of any of its Real Property and shall not do or permit to subsist any act or thing as a result of which any such lease, agreement for lease or other right to occupy could reasonably be expected to

be subject to determination or right of re-entry or forfeiture prior to the expiration of its term,

- (iii) not at any time sever or remove any of the fixtures forming part of its Specified Real Property or any of the plant and machinery (other than stock in trade or work in progress) on or in its Specified Real Property except for the purpose of any necessary repairs or replacement of it (A) without the prior written consent of the Security Agent, (B) unless expressly permitted under the terms of the Relevant Finance Documents, or (C) other than in the ordinary course of that Chargor's business, and
 - (iv) comply in all material respects with all planning laws and regulations and the terms of any authorisation in respect of any such planning laws and regulations, in each case relating to any of its Real Property
- (b) Each Chargor shall, within 10 days of receipt of any application, requirement, order or notice served or given by any public or local or any other authority with respect to.
- (i) all or any part of its Real Property which would be reasonably likely to have a Material Adverse Effect; or
 - (ii) all or any part of its Material Real Property which would be reasonably likely to have a material adverse effect on its value, saleability or use,

deliver a copy to the Security Agent and inform the Security Agent of the steps taken or proposed to be taken to comply with the requirements of that notice

- (c) No Chargor shall (i) other than in the ordinary course of that Chargor's business; (ii) other than as expressly permitted under the Relevant Finance Documents, or (iii) without the prior written consent of the Security Agent (not to be unreasonably withheld or delayed)
- (i) grant or agree to grant (whether in exercise of or independently of any statutory power) any lease or tenancy;
 - (ii) agree to any amendment or waiver or surrender of any lease or tenancy,
 - (iii) commence any forfeiture proceedings in respect of any lease or tenancy,
 - (iv) part with possession or confer upon any person any contractual licence or right to occupy,
 - (v) consent to any assignment of any tenant's interest under any lease or tenancy;
 - (vi) agree to any rent review in respect of any lease or tenancy, or
 - (vii) serve any notice on any former tenant under any lease or tenancy (or any guarantor of that former tenant) which would entitle it to a new lease or tenancy,

in respect of all or any part of its Real Property (provided that sub-paragraphs (v) to (vii) (inclusive) shall only apply to its Material Real Property).

- (d) No Chargor shall (i) other than in the ordinary course of that Chargor's business; (ii) other than as expressly permitted under the Relevant Finance Documents, or (iii) without the prior written consent of the Security Agent (not to be unreasonably withheld or delayed).
 - (i) make or permit others to make any application for planning permission in respect of any part of its Material Real Property, or
 - (ii) carry out or permit to be carried out on any part of its Material Real Property any development for which the permission of the local planning authority is required
- (e) Each Chargor shall
 - (i) grant the Security Agent and its lawyers on reasonable request all facilities within the power of that Chargor to carry out investigations of title at all reasonable times and following reasonable notice in respect of any Material Real Property and to make such enquiries in relation to any Material Real Property as a prudent mortgagee could reasonably be expected to carry out, and
 - (ii) as soon as practicable following a request of the Security Agent, supply a report as to the title of that Chargor in respect of any Future Acquired Property or Replacement Property in relation to those matters which may properly be sought to be covered by a prudent mortgagee in a report of that nature provided that the Security Agent shall only be permitted to request that one report on title be supplied in respect of each Future Acquired Property or Replacement Property.
- (f) If any Chargor fails to comply with any of the undertakings in this Clause 9 (*Real Property*), the Security Agent (and its agents and contractors) shall be entitled to do such things as it considers (acting reasonably) are necessary or expedient to remedy such failure. That Chargor shall promptly on request by the Security Agent pay the costs and expenses of the Security Agent (and its agents and contractors) incurred (together with any interest at the Default Interest Rate for the period from and including the date incurred up to and excluding the date reimbursed) in connection with any action taken under this Clause 9 (*Real Property*)

10. MONETARY CLAIMS

10.1 Undertakings

Each Chargor shall:

- (a) collect and realise its Monetary Claims in a prudent manner (as agent for the Security Agent), and
- (b) not factor, discount or otherwise deal with its Monetary Claims save as provided for in paragraph (a) of this Clause 10.1 (or enter into any agreement for such factoring, discounting or dealing),

in each case save as expressly permitted by the Relevant Finance Documents

10.2 Exercise of rights when an Event of Default is continuing

- (a) If an Event of Default is continuing, no Chargor shall be entitled to withdraw or otherwise transfer the proceeds of collection or realisation of any Monetary Claims standing to the credit of any Account without the prior written consent of the Security Agent.
- (b) If an Event of Default is continuing, each Chargor shall give notice to the debtors in respect of any Monetary Claims in such form as the Security Agent may require

11. ACCOUNTS

11.1 Notices

Each Chargor shall, no later than the date of this Deed or, in relation to any Account opened after the date of this Deed, no later than five Business Days after the date of opening of such Account, give notice to each Account Bank substantially in the form set out in Schedule 3 (*Notice for Accounts*) and shall use all reasonable endeavours that the Account Bank delivers to the Security Agent a duly completed acknowledgement of such notice

11.2 Other undertakings

- (a) Unless an Event of Default is continuing:
 - (i) subject to paragraph (ii) below, each Chargor shall (subject to the terms of the Relevant Finance Documents) be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account, and
 - (ii) no Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Holding Account or any Mandatory Prepayment Account, except as expressly permitted by the Relevant Finance Documents.
- (b) Each Chargor shall promptly deliver to the Security Agent details of any Account maintained by it (unless such details are set out in Part C of Schedule 2 (*Security Assets*))
- (c) Subject to paragraph (d) below, no Chargor shall, without the Security Agent's prior written consent, permit or agree to any variation of the rights attaching to any Account or close any Account.
- (d) A Chargor may close a Dormant Account held in that Chargor's name without the prior written consent of the Security Agent if a director of that Chargor provides a certificate to the Security Agent (in form and substance satisfactory to the Security Agent):
 - (i) certifying in writing that no monies have been credited into that Dormant Account for a period of 180 days prior to the date of such certification, and
 - (ii) undertaking not to close that Dormant Account if any monies are credited to it following the date that the certification is given.

11.3 Exercise of rights when an Event of Default is continuing

If an Event of Default is continuing:

- (a) no Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account except with the prior written consent of the Security Agent or as expressly permitted by the Relevant Finance Documents, and
- (b) the Security Agent shall be entitled without notice to withdraw, apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 23 (*Application of Proceeds*).

12. INVESTMENTS

12.1 Documents of title relating to Investments

Each Chargor shall, on the date of this Deed or, if later, upon becoming entitled to the relevant Investments, deliver to the Security Agent in the agreed form:

- (a) all stock and share certificates and other documents of title relating to its Investments (other than any Cash Equivalent Investments), and
- (b) all stock transfer forms (executed in blank and left undated) and other documents that the Security Agent may request in respect of such Investments (including declarations of trust in relation to any Investments in which that Chargor has an interest that are not held in its sole name).

12.2 Voting Power

- (a) Prior to the occurrence of a Voting Event
 - (i) each Chargor may continue to exercise the voting rights, powers and other rights in respect of its Investments (subject to paragraph (b) of this Clause 12.2), and
 - (ii) if the Investments of a Chargor have been registered in the name of the Security Agent (or its nominee), the Security Agent (or its nominee) shall exercise the voting rights, powers and other rights in respect of such Investments in such manner as that Chargor may direct in writing from time to time
- (b) No Chargor shall exercise any of its voting rights, powers and other rights in respect of its Investments (or direct the Security Agent (or its nominee) to exercise such voting rights, powers and other rights) in any manner which varies the rights attaching to or conferred by the Investments in any way which could reasonably be expected to adversely affect the interests of the Secured Parties or which could reasonably be expected to prejudice the value of or the ability of the Security Agent to realise the Security created pursuant to this Deed in respect of such Investments
- (c) Before the occurrence of a Voting Event, voting power (for the purposes of section 435(10) of the Insolvency Act 1986) in respect of its Investments shall remain with the Chargor and shall not pass to the Security Agent or any Secured Party

- (d) In this Clause 12.2, *Voting Event* in relation to a particular Investment means service of a notice by the Security Agent (either specifying that Investment or generally in relation to all or a designated class of Investments) on the Chargor while an Event of Default is continuing specifying that control over voting rights are to pass to the Security Agent.

12.3 Other Undertakings

- (a) Unless an Event of Default is continuing, each Chargor shall be entitled to receive and retain all dividends or other income or distributions paid or payable in relation to its Investments
- (b) No Chargor shall nominate any person, other than the Security Agent (or its nominee), to enjoy or exercise any right relating to any of the Investments whether pursuant to Part 9 of the Companies Act 2006 or otherwise
- (c) At any time when any Investments of a Chargor have been registered in the name of the Security Agent (or its nominee), the Security Agent (or its nominee) will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of such Investments are duly and promptly paid or received by it (or its nominee), or to verify that the correct amounts are paid or received by it (or its nominee), or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of such Investments
- (d) Unless an Event of Default is continuing, the Security Agent shall use its reasonable endeavours to forward to the relevant Chargor all notices, correspondence and other communication it receives in relation to the Investments it is required by law to forward to the relevant Chargor.
- (e) Each Chargor shall indemnify the Security Agent (or its nominee) against any loss or liability incurred by the Security Agent (or its nominee) as a consequence of the Security Agent (or its nominee) acting at the direction of a Chargor in respect of its Investments
- (f) Each Chargor shall pay when due all calls or other payments in respect of any of its Investments. In the case of a default by a Chargor in such payment, the Security Agent may make such payment on behalf of that Chargor in which case any sums paid by the Security Agent shall be reimbursed (together with interest at the Default Interest Rate for the period from and including the date incurred up to and excluding the date reimbursed) by that Chargor to the Security Agent on demand

12.4 Exercise of rights on Voting Event

- (a) On and after the occurrence of a Voting Event, the Security Agent (or its nominee) may exercise or refrain from exercising any voting rights, powers and other rights in respect of the Investments in each case in the name of a Chargor, the registered holder or otherwise and without any further consent or authority on the part of any Chargor and irrespective of any direction given by a Chargor.
- (b) Each Chargor irrevocably appoints the Security Agent (or its nominee) as its proxy to exercise all voting rights in respect of the Investments with effect from the occurrence of a Voting Event to the extent that such Investments remain registered in its name.

12.5 Clearance systems

- (a) Each Chargor shall, if so requested by the Security Agent
 - (i) instruct or request its nominee or custodian to instruct any clearance system (including without limitation, CREST) to transfer any Investment held by it or its nominee or custodian for that Chargor to an account of the Security Agent or its nominee with that clearance system, and
 - (ii) take whatever action the Security Agent may request for the dematerialisation or rematerialisation of any Investments held in a clearance system
- (b) The Security Agent may, at the expense of each Chargor, take whatever action the Security Agent considers necessary for the dematerialisation or rematerialisation of the Investments

12.6 Custodian arrangements

Each Chargor shall

- (a) promptly give notice of this Deed to any custodian of any Investment in any form which the Security Agent may reasonably require, and
- (b) use reasonable endeavours to ensure that the custodian acknowledges that notice in any form which the Security Agent may reasonably require

13. INSURANCE

13.1 Notices

Each Chargor shall, no later than the date of this Deed or, in relation to any Insurance Policy entered into after the date of this Deed, no later than five Business Days after the date of entry into of such Insurance Policy, give notice to each insurer in the form set out in Schedule 4 (*Notice for Insurance Policies*) and shall use all reasonable endeavours to procure that such insurers deliver to the Security Agent a duly completed acknowledgement of such notice.

13.2 Other undertakings

- (a) Each Chargor will take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of its Insurance Policies.
- (b) Each Chargor shall notify the Security Agent of any material amendment or termination of any term of an Insurance Policy charged pursuant to this Deed.
- (c) Each Chargor shall supply to the Security Agent promptly following a request copies of each Insurance Policy together with the current applicable premium receipts
- (d) Subject to clause 10 3(b) (*Disposal, Insurance, Reports, Capital Raising and Excess Cashflow Proceeds*) of the Senior Facilities Agreement, unless an Event of Default is continuing, each Chargor shall be entitled to receive and retain all receipts, income and distributions paid or payable in relation to its Insurance Policies

13.3 Exercise of rights when an Event of Default is continuing

If an Event of Default is continuing

- (a) the Security Agent may exercise (without any further consent or authority on the part of any Chargor and irrespective of any direction given by a Chargor) any of a Chargor's rights under any of its Insurance Policies, and
- (b) each Chargor shall hold any payment it receives in respect of its Insurance Policies on trust for the Security Agent

14. HEDGING DOCUMENTS

14.1 Notices

- (a) If required to do so by the Security Agent, each Chargor shall no later than five Business Days after the date that a Hedging Document is designated as such, give notice to each of the other parties to each Hedging Document in the form set out in Schedule 5 (*Notice for Hedging Documents*) and shall use all reasonable endeavours to procure that such parties deliver to the Security Agent a duly completed acknowledgement of such notice
- (b) Unless an Event of Default is continuing, each Chargor shall remain entitled to exercise all of its rights and remedies under or in respect of the Hedging Documents

14.2 Other undertakings

- (a) Each Chargor shall take all reasonable and practicable steps to preserve and enforce its material rights and remedies under or in respect of the Hedging Documents
- (b) No Chargor will amend, rescind, waive, close out or terminate the material terms of a Hedging Document without the prior written consent of the Security Agent unless such variation, recession or amendment is expressly permitted by the Relevant Finance Documents
- (c) Each Chargor shall supply to the Security Agent on reasonable request copies of each Hedging Document to which it is party and any other information and documentation relating to any Hedging Document to which it is party.
- (d) No Chargor shall do or permit to be done any act or thing which would be reasonably likely to
 - (i) materially adversely affect the rights of the Security Agent in a Hedging Document, or
 - (ii) materially adversely affect a Hedging Document unless such act or thing is expressly permitted by the Relevant Finance Documents
- (e) Each Chargor shall promptly notify the Security Agent
 - (i) of any circumstances which give rise, or may reasonably be expected to give rise, to a claim on or in relation to a Hedging Document; or

- (ii) of any notice of termination served by a counterparty in relation to a Hedging Document
- (f) Each Chargor shall promptly comply with its material obligations under each Hedging Document to which it is a party except to the extent that any such requirement to comply with its material obligations is being contested in good faith by it and where adequate reserves are set aside to account for any liabilities arising out of or in connection with non-compliance with such material obligations or where a breach by the counterparty renders compliance with such material obligations unnecessary or inappropriate
- (g) If an Event of Default is continuing, each Chargor shall hold any payment it receives in respect of any Hedging Document to which it is a party on trust for the Security Agent.

14.3 Exercise of rights when an Event of Default is continuing

If an Event of Default is continuing, the Security Agent may exercise (without any further consent or authority on the part of any Chargor and irrespective of any direction given by a Chargor) any Chargor's rights and remedies (including direction of any payments to the Security Agent) under or in respect of any Hedging Document to which it is party

15. INTELLECTUAL PROPERTY

15.1 Documents of title and registration

Each Chargor shall, if requested by the Security Agent:

- (a) deliver all deeds and other documents of title relating to its Specified Intellectual Property (including any licences relating to them and any forms or documents relating to any applications to register any such Specified Intellectual Property in the name of a Chargor), and
- (b) execute all such documents and do all acts that the Security Agent may reasonably require to record the interest of the Security Agent in any registers relating to any registered Specified Intellectual Property

15.2 Other undertakings

Each Chargor shall promptly provide details to the Security Agent of any Intellectual Property that such Chargor considers (acting reasonably) is required to conduct its business or any part of it unless such details are set out in Part E of Schedule 2 (*Security Assets*).

16. ENFORCEMENT OF SECURITY

16.1 Timing and manner of enforcement

- (a) The Security created pursuant to this Deed shall become enforceable and the powers referred to in paragraph (a) of Clause 16.2 (*General*) shall become exercisable
 - (i) if an Event of Default is continuing, or
 - (ii) if the Chargor requests the Security Agent to exercise any of its powers under this Deed

- (b) Without prejudice to any specific provisions contained in this Deed, immediately after the Security created pursuant to this Deed has become enforceable, the Security Agent may in its absolute discretion (subject to the other provisions of this Deed) enforce all or any part of that Security in any manner it sees fit or as the Instructing Group directs.
- (c) No Secured Party shall be liable to any Chargor for any loss arising from the manner in which the Security Agent or any other Secured Party enforces or refrains from enforcing the Security created pursuant to this Deed, unless directly caused by the Security Agent's or a Secured Party's (as applicable) gross negligence or wilful misconduct

16.2 General

- (a) The Secured Obligations shall be deemed to have become due and payable on the date of this Deed for the purposes of section 101 of the Law of Property Act 1925. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 (as varied and extended by this Deed) and all other powers conferred on a mortgagee by law shall be deemed to arise immediately after execution of this Deed
- (b) Section 103 of the Law of Property Act 1925 shall not apply to this Deed.
- (c) The Security Agent may lease, make agreements for leases at a premium or otherwise, surrender, rescind or agree or accept surrenders of leases and grant options on such terms and in such manner as it shall think fit without the need to comply with any of the provisions of sections 99 and 100 of the Law of Property Act 1925

16.3 Contingencies

If the Security created pursuant to this Deed is enforced at a time when no amount is due under the Relevant Finance Documents but at a time when amounts may or will become due, the Security Agent (or a Receiver) may pay the proceeds of any recoveries effected by it into such number of suspense accounts as it considers appropriate

16.4 Exercise of powers

All or any of the powers conferred on mortgagees by the Law of Property Act 1925 as varied or extended by this Deed and all or any of the rights and powers conferred by this Deed on a Receiver (whether express or implied) may be exercised by the Security Agent without further notice to any Chargor if an Event of Default is continuing, irrespective of whether the Security Agent has taken possession of the Security Assets or appointed a Receiver.

16.5 Restrictions on notices

The Security Agent shall not be entitled to give any notice or instruction referred to in any notice delivered pursuant to Clauses 11.1 (*Notices*) or 13.1 (*Notices*) unless an Event of Default is continuing.

16.6 Protection of third parties

- (a) No person (including a purchaser) dealing with the Security Agent or a Receiver or any of its respective agents will be concerned to enquire.
 - (i) whether the Secured Obligations have become payable;

- (ii) whether any power which the Security Agent or that Receiver may purport to exercise has become exercisable or is being properly exercised;
 - (iii) whether any amount remains due under the Relevant Finance Documents, or
 - (iv) how any money paid to the Security Agent or to that Receiver is to be applied
- (b) The receipt by the Security Agent or any Receiver of any moneys paid to the Security Agent or any Receiver by any person (including a purchaser) shall be an absolute and conclusive discharge and shall relieve any person dealing with the Security Agent or that Receiver of any obligation to see to the application of any moneys paid to or by the direction of the Security Agent or any Receiver
- (c) In paragraphs (a) and (b) of this Clause 16.6, *purchaser* includes any person acquiring, for money or money's worth, any interest or right whatsoever in relation to the Security Assets.

16.7 No liability as mortgagee in possession

Neither the Security Agent nor any Receiver will be liable by reason of entering into possession of a Security Asset

- (a) to account as mortgagee in possession for any loss on realisation in respect of such Security Asset; or
- (b) for any default or omission for which a mortgagee in possession might be liable unless directly caused by its gross negligence or wilful misconduct

16.8 Redemption of prior Security

The Security Agent or any Receiver may at any time if an Event of Default is continuing redeem any prior Security on or relating to any of the Security Assets or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on each Chargor. Each Chargor will on demand pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

16.9 Right of appropriation

To the extent that any of the Security Assets constitute "financial collateral" and this Deed and the obligations of a Chargor under it constitute a "security financial collateral arrangement" (in each case, as defined in, and for the purposes of, the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003 No. 3226)), the Security Agent shall, if an Event of Default is continuing, have the right to appropriate without notice to the Chargor (either on a single occasion or on multiple occasions) all or any part of such financial collateral in or towards discharge of the Secured Obligations and for this purpose the value of the financial collateral so appropriated shall be:

- (a) in the case of cash, the amount standing to the credit of each Account together with any accrued but unposted interest at the time the right of appropriation is exercised; and

- (b) in the case of the Investments, the market price of such Investments determined by the Security Agent in a commercially reasonable manner (including by reference to a public index or independent valuation)

17. ADMINISTRATOR

- (a) Subject to the Insolvency Act 1986, the Security Agent may appoint one or more qualified persons to be an administrator of any Chargor (to act together with or independently of any others so appointed)
 - (i) if requested by that Chargor, or
 - (ii) if an Event of Default is continuing
- (b) Any such appointment may be made pursuant to an application to court under paragraph 12 of schedule B1 to the Insolvency Act 1986 or by filing the specified documents with the court under paragraphs 14 to 21 of schedule B1 to the Insolvency Act 1986
- (c) In this Clause 17, *qualified person* means a person who, under the Insolvency Act 1986, is qualified to act as an administrator of any company with respect to which he is appointed

18. RECEIVER

18.1 Appointment of Receivers

- (a) The Security Agent may (without notice) by deed or otherwise in writing signed by any officer or manager of the Security Agent or any person authorised for this purpose by the Security Agent, appoint one or more persons to be a Receiver
 - (i) if requested by that Chargor, or
 - (ii) if an Event of Default is continuing (whether or not the Security Agent has taken possession of the Security Assets).
- (b) The Security Agent may not appoint an administrative receiver over the Security Assets to the extent prohibited by section 72A of the Insolvency Act 1986
- (c) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium or anything done with a view to obtaining a moratorium under the Insolvency Act 2000
- (d) Section 109(1) of the Law of Property Act 1925 shall not apply to this Deed.
- (e) If the Security Agent appoints more than one person as Receiver, the Security Agent may give those persons power to act either jointly or severally
- (f) Any Receiver may be appointed Receiver of all of the Security Assets or Receiver of a part of the Security Assets specified in the appointment. In the case of an appointment of a part of the Security Assets, the rights conferred on a Receiver as set out in Clause 18.5 (*Powers of Receivers*) shall have effect as though every reference in Clause 18.5 (*Powers of Receivers*) to any Security Assets were a reference to the part of those assets so specified or any part of those assets

18.2 Removal of Receivers

The Security Agent may by notice in writing remove any Receiver appointed by it (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receivership) whenever it thinks fit and appoint a new Receiver instead of any Receiver whose appointment has terminated for any reason

18.3 Agent of Chargor

Any Receiver shall be the agent of each Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. Each Chargor is solely responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver. No Secured Party will incur any liability (either to a Chargor or any other person) by reason of the appointment of a Receiver where such appointment is in accordance with the terms of the Relevant Finance Documents

18.4 Remuneration

The Security Agent may (subject to section 36 of the Insolvency Act 1986) determine the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) of the Law of Property Act 1925) shall not apply to this Deed

18.5 Powers of Receivers

Any Receiver appointed pursuant to Clause 18.1 (*Appointment of Receivers*) shall have the following rights, powers and discretions (in addition to those conferred by the Law of Property Act 1925 on any Receiver appointed under the Law of Property Act 1925)

- (a) to take immediate possession of, get in and collect any Security Asset and to require payment to it or to the Security Agent of any Monetary Claims or credit balance on any Account,
- (b) to carry on any business of any Chargor in any manner he thinks fit,
- (c) to enter into any contract or arrangement and to perform, repudiate, succeed or vary any contract or arrangement to which any Chargor is party,
- (d) to appoint and discharge any managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit and to discharge any person appointed by any Chargor,
- (e) to raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security created pursuant to this Deed or otherwise and generally on any terms and for whatever purpose which he thinks fit,
- (f) to sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner, and on any terms which he thinks fit and for a consideration of any kind (which may be payable in a lump sum or by instalments spread over any period),
- (g) to settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of any Chargor or relating in any way to any Security Asset;

- (h) to bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit,
- (i) to give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset;
- (j) to form a Subsidiary of any Chargor and transfer to that Subsidiary any Security Asset;
- (k) to delegate his powers in accordance with this Deed,
- (l) to lend money or advance credit to any customer of any Chargor,
- (m) to effect any insurance and do any other act which a Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset in each case as he thinks fit;
- (n) to exercise all the powers described in schedule 1 to the Insolvency Act 1986 whether or not the Receiver is an administrative receiver as defined in the Insolvency Act 1986;
- (o) to purchase or acquire by leasing, hiring, licensing or otherwise (for such consideration and on such terms as he may think fit) any assets which he considers necessary or desirable for the carrying on, improvement, realisation or other benefit of any of the Security Assets or the business of any Chargor,
- (p) to exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset;
- (q) to make any payment and incur any expenditure, which the Security Agent is, by this Deed, expressly or impliedly authorised to make or incur,
- (r) to do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law, and
- (s) to use the name of any Chargor for any of the purposes set out in paragraphs (a) to (r) (inclusive) of this Clause 18

19. DELEGATION

- (a) The Security Agent or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed. Any such delegation may be made upon such terms (including the power to sub-delegate) and subject to such conditions and regulations as the Security Agent or Receiver may think fit
- (b) Neither the Security Agent nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate unless such loss or liability is directly caused by the gross negligence or wilful misconduct of that delegate

- (c) References in this Deed to the Security Agent or a Receiver shall be deemed to include references to any delegate of the Security Agent or Receiver appointed in accordance with this Clause 19

20. PRESERVATION OF SECURITY

20.1 Reinstatement

- (a) If any payment by a Chargor or any discharge or release given by a Secured Party (whether in respect of the obligations of any person or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:
- (i) the liability of that Chargor and the relevant security shall continue as if the payment, discharge, release, avoidance or reduction had not occurred, and
 - (ii) the relevant Secured Party shall be entitled to recover the value or amount of that security or payment from that Chargor, as if the payment, discharge, avoidance or reduction had not occurred.
- (b) The Security Agent may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration

20.2 Waiver of defences

None of the obligations of any Chargor under this Deed or any Security created pursuant to this Deed will be affected by any act, omission, matter or thing (whether or not known to any Chargor or any Secured Party) which, but for this provision, would reduce, release, prejudice or provide a defence to any of those obligations including

- (a) any time, waiver, release or consent granted to, or composition with, any Chargor or any other person,
- (b) the release of any Chargor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group or any other person,
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over the assets of, any Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any such rights or security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Chargor or any other person,
- (e) any amendment (however fundamental and including any amendment that may increase the liability of a Chargor) or replacement of a Relevant Finance Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Relevant Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings

20.3 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from or enforcing against any Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Relevant Finance Document to the contrary.

20.4 Appropriations

If an Event of Default is continuing and the Secured Obligations have not been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same, and
- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of any Chargor's liability under this Deed.

20.5 Deferral of Chargors' rights

- (a) Until all the Secured Obligations have been irrevocably paid in full (and unless the Security Agent otherwise directs or unless expressly permitted under the Relevant Finance Documents), no Chargor will exercise any rights which it may have by reason of performance (or a claim for performance) by it of its obligations under the Relevant Finance Documents.
 - (i) to be indemnified by any Obligor;
 - (ii) to claim any contribution from any guarantor of any Obligor's obligations under the Relevant Finance Documents;
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Relevant Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Relevant Finance Documents by any Secured Party;
 - (iv) to bring legal or other proceedings for an order requiring an Obligor to make any payment, or perform any obligation, in respect of which the relevant Chargor has given a guarantee, undertaking or indemnity under the Relevant Finance Documents,
 - (v) to exercise any right of set-off against an Obligor;
 - (vi) to exercise any right of quasi-retainer or other analogous equitable right, and/or
 - (vii) to claim or prove as a creditor of an Obligor or of any other Chargor in competition with the Secured Parties.

- (b) If any Chargor receives any benefit, payment or distribution in relation to such rights in breach of paragraph (a) above it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by an Obligor or by any other Chargor under or in connection with the Relevant Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Secured Parties or as the Secured Parties may direct

20.6 Security held by Chargor

No Chargor shall, without the prior consent of the Security Agent, hold or otherwise take the benefit of any Security from any Obligor in respect of that Chargor's liability under this Deed. Each Chargor will hold any Security and the proceeds thereof held by it in breach of this provision on trust for the Security Agent.

20.7 Additional security/non-merger

The Security created pursuant to this Deed is in addition to and shall not be merged into or in any way excluded or prejudiced by any other Security now or hereafter held by or on behalf of any Secured Party in respect of the Secured Obligations or any other amount due by any Chargor to any Secured Party.

20.8 Power of consolidation

Section 93 of the Law of Property Act 1925 shall not apply to this Deed or to the Security created pursuant to this Deed.

20.9 New accounts and ruling off

- (a) Any Secured Party may open a new account in the name of any Chargor at any time after a subsequent Security affects any Security Asset. If a Secured Party does not open a new account in such circumstances it will nevertheless be deemed to have done so upon the occurrence of such circumstances.
- (b) No moneys paid into any account (whether new or continuing) after the occurrence of any circumstances referred to in paragraph (a) of this Clause 20.9 shall reduce or discharge the Secured Obligations.

21. FURTHER ASSURANCES

- (a) Each Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
 - (i) to perfect the Security created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of this Deed) or for the exercise of any rights, powers and remedies of the Security Agent or the Secured Parties provided by or pursuant to the Relevant Finance Documents or by law,
 - (ii) to confer on the Security Agent or confer on the Secured Parties Security over any property and assets of that Obligor (located in any jurisdiction)

equivalent or similar to the Security intended to be conferred by or pursuant to this Deed, and/or

- (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of this Deed,

including

- (iv) the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Security Agent (or to its nominee), and
- (v) the transfer of legal and/or equitable title in any existing or future Real Property to a third party (including after the Security Agent has exercised any right of appropriation pursuant to Clause 16 9 (*Right of appropriation*)),
- (vi) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent considers necessary (acting reasonably).

- (b) Each Chargor shall take all such action as is available to it (including making or arranging all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to the Relevant Finance Documents

22. POWER OF ATTORNEY

22.1 Appointment

- (a) Each Chargor by way of security irrevocably appoints the Security Agent and each Receiver severally as its attorney with full power of substitution, on its behalf and in its name or otherwise, at such time and in such manner as the attorney thinks fit:
 - (i) unless an Event of Default is continuing, to do anything which that Chargor is obliged to do under this Deed but has failed to do and following notice from the Security Agent of such failure;
 - (ii) if an Event of Default is continuing, to do anything which that Chargor is obliged to do under this Deed, and
 - (iii) if an Event of Default is continuing, to exercise any of the rights conferred on the Security Agent or any Receiver in relation to the Security Assets or under any Finance Document, the Law of Property Act 1925 or the Insolvency Act 1986
- (b) The power of attorney conferred on the Security Agent and each Receiver shall continue notwithstanding the exercise by the Security Agent of any right of appropriation pursuant to Clause 16 9 (*Right of appropriation*).

22.2 Ratification

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any attorney shall do in the exercise or purported exercise of the power of attorney granted by it in Clause 22.1 (*Appointment*).

23. APPLICATION OF PROCEEDS

23.1 Order of application

- (a) All amounts received by the Security Agent or any Receiver pursuant to this Deed or the powers conferred by it shall be applied in accordance with Clause 20.1 (*Order of application – proceeds of Common Transaction Security*) of the Intercreditor Agreement
- (b) The order of application referred to in paragraph (a) of this Clause 23.1 shall override any appropriation by any Chargor

23.2 Receiver's receipts

Section 109(8) of the Law of Property Act 1925 shall not apply in relation to a Receiver appointed under this Deed

24. CHANGES TO PARTIES

24.1 Transfer by the Security Agent

The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this Deed to any successor appointed in accordance with the Relevant Finance Documents

24.2 Changes to parties

Each Chargor agrees to be bound by the terms of Clauses 27 (*Changes to the Lenders*) to 29 (*Changes to the Obligors*) (inclusive) of the Senior Facilities Agreement, and Clause 25 (*Changes to the Parties*) of the Intercreditor Agreement.

24.3 Consent of Chargors

Each Chargor consents to members of the Group becoming Chargors as contemplated by the Senior Facilities Agreement and irrevocably appoints the Parent as its attorney, with full power of substitution, for the purposes of executing any Accession Document

25. MISCELLANEOUS

25.1 Further advances

Subject to the terms of the Relevant Finance Documents, each Secured Party is under an obligation to make further advances or other financial accommodation to the Borrowers. Such obligation will be deemed incorporated into this Deed as if set out in it

25.2 Time Deposits

Without prejudice to any right of set-off any Secured Party may have under any Relevant Finance Document or otherwise, if any time deposit matures on any account which any Chargor has with a Secured Party prior to the Final Discharge Time when

- (a) the Security created pursuant to this Deed has become enforceable, and
- (b) no amount of the Secured Obligations is due and payable,

such time deposit shall automatically be renewed for such further maturity as the relevant Secured Party in its absolute discretion considers appropriate unless such Secured Party otherwise agrees in writing

25.3 Security Agent's liability

Neither the Security Agent nor any Receiver shall (either by reason of taking possession of the Security Assets or for any other reason and whether as mortgagee in possession or otherwise) be liable to any Chargor or any other person for any costs, losses, liabilities or expenses relating to the realisation of any Security Assets or from any act, default, omission or misconduct of the Security Agent or any Receiver or their respective officers, employees or agents in relation to the Security Assets or in connection with the Relevant Finance Documents except to the extent caused by its or his own gross negligence or wilful misconduct.

25.4 Failure to Execute

- (a) Failure by one or more parties to execute this Deed (such parties being *Non-Signatories*) on the date hereof will not invalidate the provisions of this Deed as between the other parties who do execute this Deed.
- (b) Each Non-Signatory may execute this Deed on a subsequent date and will thereupon become bound by its provisions

26. PARTIAL INVALIDITY

If any provision of this Deed is or becomes invalid, illegal or unenforceable in any jurisdiction, that shall not affect the legality, validity or enforceability of the remaining provisions in that jurisdiction or of that provision in any other jurisdiction

27. NOTICES

27.1 Method

Any notice or other communication to be served under or in connection with this Deed shall be made in writing and, unless otherwise stated, served in person or by post, fax or any electronic method of communication approved by the Security Agent to the relevant party at its address or fax number shown immediately after its name on the signature page of this Deed or such other address or number notified by it to the other parties to this Deed and, in the case of the Security Agent, marked for the attention of the person or department there specified

27.2 Deemed Service

Any notice or other communication served by post will, unless otherwise stated, be effective five Business Days after being deposited in the post (with postage prepaid) in an envelope addressed to it at that address or on delivery if delivered personally or by courier to the relevant address. A notice or other communication sent by fax will, unless otherwise stated, be effective when received in legible form. Any communication or notice to the Security Agent by electronic method will be effective only when actually received in readable form and if addressed in the manner specified by the Security Agent for this purpose.

27.3 Proof of Service

In proving service of any notice or other communication, it will be sufficient to prove:

- (a) in the case of a letter, that such letter was properly stamped or franked, addressed and placed in the post or in the case of personal delivery, was left at the correct address, and
- (b) in the case of a fax transmission, that such fax was duly transmitted to the fax number, as appropriate, of the addressee referred to in Clause 27.1 (*Method*)

28. COUNTERPARTS

This Deed may be executed in any number of counterparts, and by each party hereto on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

29. GOVERNING LAW AND ENFORCEMENT

29.1 Governing law

This Deed and any non-contractual obligations arising out of or in relation to this Deed shall be governed by, and interpreted in accordance with, English law.

29.2 Jurisdiction

- (a) Subject to paragraphs (b) and (c) below, the English courts shall have exclusive jurisdiction in relation to all disputes arising out of or in connection with this Deed (including claims for set-off and counterclaims), including, without limitation, disputes arising out of or in connection with (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, this Deed; and (ii) any non-contractual obligations arising out of or in connection with this Deed. For such purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.
- (b) The agreement contained in paragraph (a) of this Clause 29.2 is included for the benefit of the Security Agent who shall retain the right to take proceedings in any other courts with jurisdiction and each Chargor irrevocably submits to the jurisdiction of any such court. To the extent permitted by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

- (c) Each Chargor agrees that a judgment or order of any court referred to in this Clause (c) is conclusive and binding and may be enforced against it in the courts of any other jurisdiction

29.3 Service of Process

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Chargor (other than a Chargor incorporated in England and Wales):
 - (i) irrevocably appoints FCC Environment (UK) Limited as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed (and FCC Environment (UK) Limited by its execution of this Deed, accepts that appointment), and
 - (ii) agrees that failure by an agent for service of process to notify the relevant Chargor of the process will not invalidate the proceedings concerned
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Parent (on behalf of all the Chargors) must promptly on becoming aware of the same (and in any event within 5 Business Days of becoming aware) appoint another agent on terms acceptable to the Security Agent (acting reasonably). Failing this, the Security Agent may appoint another agent for this purpose

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1
ORIGINAL CHARGORS

Name	Registered Number
3C Holdings Limited	3610048
3C Waste Limited	2632581
Allington O&M Services Limited	2464345
Allington Waste Company Limited	4792815
Anti-Waste (Restoration) Limited	2993753
Anti-Waste Limited	1569257
Arnold Waste Disposal Limited	930757
Darrington Quarries Limited	579409
FCC Environment (Berkshire) Limited	5663735
FCC Environment (Lincolnshire) Limited	7418620
FCC Environment (UK) Limited	2902416
FCC Environment Limited	2830895
FCC Environmental Services Limited	1567453
FCC Recycling (UK) Limited	2674166
FCC Waste Services (UK) Limited	988844
Finstop Limited	3188850
FOCSA Services (UK) Limited	2693394
Hykeham O&M Services Limited	7418624
Integrated Waste Management Limited	2433703
Landfill Management Limited	2069821
Lincwaste Limited	02668959
Norfolk Waste Limited	3001490
Pennine Waste Management Limited	3057012

Name	Registered Number
T Shooter Limited	2008873
Waste Recovery Limited	2411841
Waste Recycling Group (Central) Limited	4000033
Waste Recycling Group (Scotland) Limited	SC210275
Waste Recycling Group (Yorkshire) Limited	2436946
Waste Recycling Group (UK) Limited	2563475
WasteNotts (Reclamation) Limited	2674169
WasteNotts O&M Services Limited	2629246
Welbeck Waste Management Limited	2736095
WRG (Midlands) Limited	SC043286
WRG (Northern) Limited	SC098678
WRG Acquisitions 2 Limited	5056437
WRG Environmental Limited	2206141
WRG Waste Services Limited	SC023357

SCHEDULE 2
SECURITY ASSETS

Part A
Specified Real Property

Chargor/Proprietor	Tenure	Location	Title Number(s)
3C Waste Limited	Freehold	Arpley2 Stretton Way, Huyton Industrial Estate, Merseyside	Freehold titles MS188178 and MS188176
	Freehold and Leasehold	Llanddulas Abergele Road	Freehold titles: WA682656 and WA792865 Mines and Minerals: CYM434743 Leasehold title: WA660033
	Leasehold	Arpley Off Liverpool Road Sankey Bridges	Leasehold title CH425577
Anti-Waste Limited	Freehold	Blackborough End East Winch Road Mill Drove	Freehold titles: NK183492, and NK183495
	Freehold	Buckden Station Farm Brampton Road, Buckden	Freehold titles CB101172 and CB177508
	Freehold	Costessey Longwater Business Park Costessey	Freehold title: NK236389
	Freehold	Thetford, Burrell Way	Freehold titles: NK170528, NK434489, NK103462 and NK175675 (CRN: 1569257)
FCC Recycling (UK) Limited	Freehold	Lillyhall Dixon House, Joseph Noble Road , Lillyhall	Freehold titles: CU99041, CU104153, CU108003, CU107159, CU86168, CU80076, CU99334, CU96186 and CU112639
	Freehold	North Hykeham Whisby Road, North Hykeham	Freehold title LL227709
	Leasehold	Pepperhill Station Road	Leasehold title: K943040 and K941669

Chargor/Proprietor	Tenure	Location	Title Number(s)
	Leasehold	Blackburn Meadows Alsing Road Tinsley	Leasehold title SYK351077
	Leasehold	Part of Ground Floor West 900 Pavilion Drive, Northampton Business Park	Lease not registered
	Freehold and Leasehold	Barrow, Walney Road	Freehold title CU177264 Leasehold titles CU128307 and CU180325
FCC Environment (UK) Limited	Leasehold	Doncaster (No 3) 3 Sidings Court White Rose Way	Leasehold title SYK607890
	Leasehold	Doncaster (No 6) 6 Sidings Court White Rose Way	Leasehold title SYK607886
	Freehold and Leasehold	Sutton Courtenay Appleford Sidings Sutton Courtenay	Freehold titles. ON194307, ON237285 and ON237289 Leasehold titles , ON237293, ON237294, ON237295, ON237296, ON237287, BK45594, ON227970, and ON237729
	Freehold and Leasehold	Edwin Richards Portway Road, Rowley Regis	Leasehold title WM808528
	Freehold and Leasehold	Llanddulas Abergele Road	Leasehold title: WA872193
Waste Recycling Group (UK) Limited	Freehold	Bletchley Guernsey Road, Bletchley	Freehold title: BM221284
	Freehold and Leasehold	Calvert Brackley Lane	Leasehold titles BM190511, BM182537, BM224580 and BM365443
Integrated Waste Management Limited	Freehold	Winterton North Coleby Road, Weston Halton	Freehold title: HS330610
Lincwaste Limited	Freehold and Leasehold	Colsterworth Off Crabtree Road, Stanby	Freehold titles. LL78073 and LL155513 Leasehold titles. LL297660, and LL297327
	Leasehold	Leadenham Pottergate	Leasehold title LL269071
	Freehold	Whisby	Freehold title LL162969

Chargor/Proprietor	Tenure	Location	Title Number(s)
	and Leasehold	Thorpe Road	Leasehold titles LL163272 and LL330801
Waste Recycling Group (Central) Limited	Freehold	Judkins Tuttle Hill	Freehold title WK393091
	Freehold and Leasehold	Norwood Farm Lower Road, Brambledown	Freehold titles K775276, K775273 and K904413 Leasehold title K906487
	Freehold and Leasehold	Edwin Richards Portway Road, Rowley Regis	Freehold title WM743828
FCC Waste Services (UK) Limited	Freehold and Leasehold	Calvert Brackley Lane	Freehold title BM232086 and BM382958 Leasehold titles BM382960 and BM382959
	Freehold	Pwllfawatkin, Rhy Dy Fro Pontardawe	Freehold titles WA760101, WA750179, WA77027, WA714136, WA673933, WA742291 and WA740316
WasteNotts (Reclamation) Limited	Leasehold	Eastcroft Incinerator Road Off Meadow Lane	Leasehold titles NT47101 and NT293945
Welbeck Waste Management Limited	Leasehold	Welbeck Boundary Lane, Normanton	Leasehold titles WYK646444 and WYK652130
WRG (Midlands) Limited	Freehold	Chirk Pen-Y-Bont Works	Freehold titles WA586539, WA511784, WA693090

Part B
Group Shares

Chargor	Group Member	Number and class of shares	Details of nominees holding legal title
Finstop Limited	Darrington Quarries Limited	10,431 ordinary shares of 100p each	
Darrington Quarries Limited	Waste Recycling Group (Yorkshire) Limited	1,000 ordinary shares of 100p each	
WRG Acquisitions 2 Limited	WRG Environmental Limited	56,208,166 ordinary shares of 100p each	
	Waste Recycling Group (UK) Limited	100 Ordinary shares of £1 each	
FCC Environment (UK) Limited	3C Holdings Limited	100 ordinary shares of 100p each	
	Allington O&M Services Limited	102 ordinary shares of 100p each	
	Allington Waste Company Limited	1 ordinary share of 100p	
	Arnold Waste Disposal Limited	23,681,104 ordinary shares of 1p each	
	BDR Waste Disposal Limited	1,998 Ordinary A shares of 1p each 37,500 Deferred Ordinary shares of 100p each 8,002 Ordinary B shares of 1p each 1,812,040 Ordinary C shares of 100p each	
	Derbyshire Waste Limited	125,126,500 ordinary shares of 1p each	
	East Waste Limited	860,000 ordinary shares of 100p each	

Finstop Limited	15,264,769 ordinary shares of 100p each	
FCC Environment Limited	103,000 ordinary shares of 100p each	
Kent Energy Limited	200,000 ordinary shares of 100p each	
Norfolk Waste Limited	2 ordinary shares of 100p each	
FOCSA Services (UK) Limited	73,002 ordinary shares of 100p each	
Pennine Waste Management Limited	92,626 ordinary shares of 100p each	
WasteNotts O&M Services Limited	2 ordinary shares of 100p each	
Waste Recovery Limited	100 ordinary shares of 100p each	
Welbeck Waste Management Limited	19 Ordinary A shares of 1p each 81 Ordinary B shares of 1p each 102 C non-voting shares of 100p each	
FCC Environment (Lincolnshire) Limited	2 ordinary shares of 100p each	
WRG Acquisitions 2 Limited	37,000,001 shares of 100p each	
FCC Environment (Berkshire) Limited	1 ordinary share of 100p	
Integrated Waste Management Limited	15,599,313 Ordinary Shares of £1 each	

	Waste Recycling Group (Central) Limited	145,000,100 Ordinary Shares of £1 each	
	FCC Recycling (UK) Limited	20,866,791 Ordinary Shares of £1 each	
		7,723,200 Preference Shares of US \$ 0 001	
	Anti Waste Limited	8,061,500 Ordinary Shares of £1 each	
3C Holdings Limited	3C Waste Limited	6,678,282 Ordinary shares of £1 each	
3C Waste Limited	Landfill Management Limited	2,000,000 ordinary shares of 100p each	
Anti-Waste Limited	FCC Environmental Services Limited	2 ordinary shares of 100p each	
	Anti-Waste (Restoration) Limited	2 ordinary shares of 100p each	
Waste Recycling Group (UK) Limited	FCC Waste Services (UK) Limited	100 ordinary shares of 100p each	
FCC Recycling (UK) Limited	Hykeham O&M Services Limited	2 ordinary shares of 100p each	
	T Shooter Limited	250 ordinary shares of 100p each	
	WasteNotts (Reclamation) Limited	6,295,500 ordinary shares of 100p each	
Waste Recycling Group (UK) Limited	FCC Waste Services (UK) Limited	100 Ordinary Shares of £1 each	
Azincourt Investment SLU	FCC Environment (UK) Limited	585,848,603 Ordinary shares of £0 25 each	
FCC Environment	Lincwaste Limited	5,089,900 Ordinary shares of	

Limited		£1 each	
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**Part C
Accounts**

Chargor	Account Bank	Account Number	Sort Code	Account Name	Designation
FCC Environment (Lincolnshire) Limited	National Westminster Bank Plc			Current Account	Unblocked
FCC Environment (Lincolnshire) Limited	National Westminster Bank Plc			Euro Account	Unblocked
FCC Environment (UK) Limited	National Westminster Bank Plc			Corporate	Unblocked
FCC Recycling (UK) Limited	National Westminster Bank Plc			FCC Recycling (UK) Limited	Unblocked
FCC Recycling (UK) Limited	National Westminster Bank Plc			SIBA	Unblocked
FCC Recycling (UK) Limited	National Westminster Bank Plc			Alco	Unblocked
FCC Recycling (UK) Limited	National Westminster Bank Plc			Euro	Unblocked
FCC Recycling (UK) Limited	National Westminster Bank Plc			WREN	Unblocked

**Part D
Insurance Policies**

Provider	Policy Number	Description
Aon UK Limited	RQ1304418 / RQ1201709	Terrorism (including Sabotage Insurance)
QBE Insurance (UK) Limited	024809 01 2013	Crime Insurance
QBE Insurance (UK) Limited	Y015121QBE0113A	Property and Business Interruption
QBE Insurance (UK) Limited	Y002133FLT0113A	Motor Fleet Insurance
Zurich Insurance plc	EU780956	Engineering Material Damage

**Part E
Specified Intellectual Property**

Owner	Waste Recycling Group Limited
Trade Mark	
Trade Mark Number	UK00002614724
Registration Date	10 August 2012
Renewal Date	20 March 2022
Country	United Kingdom
Class	11, 35, 37, 39, 40

SCHEDULE 3

NOTICE FOR ACCOUNTS

To [Account Bank]

Copy GLAS Nominees Limited as Security Agent

Date: [●]

Dear Sirs,

1. We hereby give you notice that (i) [all existing security over the Accounts] has been released and (ii) we have charged by way of first fixed charge to GLAS Nominees Limited (the *Security Agent*) on behalf of certain Secured Parties pursuant to a debenture (the *Debenture*) dated [●] entered into by us (as Chargor) (amongst others) in favour of the Security Agent, all of our rights, title and interest in and to all sums of money which may now or in the future be held with you for our account in the accounts identified in the schedule to this notice and to any other accounts from time to time maintained with you by us (the *Accounts*) together with all interest from time to time earned on such sums and the debts represented by such sums and interest

2. With effect from the date of your receipt of this notice

- (a) subject to paragraph (e) below, all sums from time to time standing to the credit of the Accounts should be held to the order of the Security Agent,
- (b) subject to paragraph (e) below, such sums may only be paid or released in accordance with the written instructions of the Security Agent at any time,
- (c) the terms and conditions relating to the Accounts designated as "Blocked" may not be amended, varied or waived without the prior written consent of the Security Agent,
- (d) we are not permitted to withdraw any amount from the Accounts designated as "Blocked" in the schedule to this notice without the prior written consent of the Security Agent, and
- (e) we are permitted to withdraw or transfer amounts from the Accounts designated as "Not blocked" in the schedule to this notice until such time as the Security Agent provides written notification to you that such permission is withdrawn (and the Security Agent may withdraw or notify this permission in its absolute discretion at any time).

3 You are authorised and instructed, without requiring further approval from us

- (a) to pay all monies received by you for the Accounts to (and only to) the credit of the Accounts;
- (b) to provide the Security Agent with such information relating to the Accounts as it may from time to time request, and
- (c) to comply with the terms of any written notice or instructions in any way relating to, or purporting to relate to, the Debenture, the sums standing to the credit of the

Accounts from time to time or the debts represented by them which you receive at any time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction.

4 These instructions may not be revoked without the prior written consent of the Security Agent

5. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that:

- (a) you agree to the terms of this notice and to act in accordance with its provisions;
- (b) you have not received notice of the interest of any third party in the accounts, and
- (c) you have not and will not claim, exercise or enforce any security interest, right of set-off, counterclaim or similar right in respect of the Accounts or the debts represented by them without the prior written consent of the Security Agent [or, in relation to the Accounts designated as "Not blocked" in the schedule to this notice, pursuant to the current account netting arrangements previously approved in writing by the Security Agent].

6 This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law

Yours faithfully,

.....
for and on behalf of
[CHARGOR]

.....
for and on behalf of
GLAS NOMINEES LIMITED
as Security Agent

[On acknowledgement copy]

To GLAS Nominees Limited as Security Agent
2 London Wall Buildings
London EC2M 5UU

Copy to [CHARGOR]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it

... ..
for and on behalf of
[Account Bank]

Date [●]

SCHEDULE 4

NOTICE FOR INSURANCE POLICIES

To. [insurer/insurance broker]

Copy GLAS Nominees Limited as Security Agent

Date [●]

Dear Sirs,

1 We hereby give you notice that (i) [all existing security over the Insurance Policies] has been released and (ii) we have assigned by way of security to GLAS Nominees Limited (the *Security Agent*) on behalf of certain Secured Parties pursuant to a debenture dated [●] entered into by us in favour of the Security Agent, all of our rights, title and interest in and to the insurance policies identified in the schedule to this letter and to any other insurance policies taken out with you by us or on our behalf or under which we have a right to a claim (other than in relation to third party liabilities) (the *Insurance Policies*)

2 We will remain liable under the Insurance Policies to perform all obligations imposed on us under the Insurance Policies and none of the Security Agent, its agents, any receiver, administrator or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance Policies

3. We will remain entitled to exercise all of our rights under the Insurance Policies and you should continue to give notices under the Insurance Policies to us, until such time as the Security Agent provides written notification to the contrary. Thereafter:

- (a) all amounts payable under the Insurance Policies should be paid to the Security Agent or as it directs;
- (b) all rights in respect of the Insurance Policies will be exercisable by the Security Agent and notices under the Insurance Policies should be given to the Security Agent or as it directs[, and]
- (c) the interest of the Security Agent should be noted on the Insurance Policies and the Security Agent should be shown as a loss payee and first priority assignee]¹

4 You are authorised and instructed (without requiring further approval from us) to provide the Security Agent with such information relating to the Insurance Policies as it may from time to time request

5 These instructions may not be revoked without the prior written consent of the Security Agent.

6. [Please note the interest of the Security Agent on the Insurance Policies and show the Security Agent as loss payee and first priority assignee]²

¹ To be included in notices addressed to Zurich Insurance plc only

² To be included in all notices other than those addressed to Zurich Insurance plc

7. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that

- (a) you agree to the terms of this notice and to act in accordance with its provisions;
- (b) you have not received notice of the interest of any third party in any of the Insurance Policies,
- (c) you have noted the interests of the Security Agent on the Insurance Policies,
- (d) you will not cancel, avoid, release or otherwise allow the Insurance Policies to lapse without giving the Security Agent at least [30]³/[14]⁴ days' prior written notification,
- (e) you have not and will not claim, exercise or enforce any right of set-off, counterclaim or similar right in respect of the Insurance Policies without the consent of the Security Agent;
- (f) you will notify the Security Agent of any breach by us of the terms of any Insurance Policy and will allow the Security Agent or the Secured Parties referred to in this notice to remedy that breach, and
- (g) the Security Agent shall not in any circumstances be liable for the premium in relation to the Insurance Policies (but may elect to pay it)

8 This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law

Yours faithfully,

... ..
for and on behalf of
[CHARGOR]

.
for and on behalf of
GLAS NOMINEES LIMITED
as Security Agent

³ To be included in all notices other than those addressed to Zurich Insurance plc

⁴ To be included in notices addressed to Zurich Insurance plc only

SCHEDULE

[Details of Insurance Policies to be inserted]

[On acknowledgement copy]

To GLAS Nominees Limited as Security Agent
2 London Wall Buildings
London EC2M 5UU

Copy to. *[CHARGOR]*

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it

for and on behalf of
[Insurer]

Date *[●]*

SCHEDULE 5

NOTICE FOR HEDGING DOCUMENTS

To [Counterparty to relevant Hedging Document]

Copy GLAS Nominees Limited as Security Agent

Date: [●]

Dear Sirs,

1 We hereby give you notice that we have assigned by way of security to GLAS Nominees Limited (the *Security Agent*) on behalf of certain Secured Parties pursuant to a debenture (the *Security Agreement*) dated [●] entered into by us in favour of the Security Agent, all of our rights, title and interest in and to [insert details of relevant Hedging Document] (the *Hedging Document*)

2 We will remain liable under the Hedging Document to perform all obligations imposed on us under the Hedging Document and none of the Security Agent, its agents, any receiver, administrator or any other person will at any time be under any obligation or liability to you under or in respect of the Hedging Document

3. We will remain entitled to exercise all of our rights under the Hedging Document and you should continue to give notices under the Hedging Document to us, until such time as the Security Agent provides written notification to the contrary. Thereafter, all rights in respect of the Hedging Document (including the right to direct payments of amounts due thereunder to another account) will be exercisable by the Security Agent and notices under the Hedging Document should be given to the Security Agent or as it directs.

4 You are authorised and instructed (without requiring further approval from us) to provide the Security Agent with such information relating to the Hedging Document as it may from time to time request

5. Please note that we have agreed that we will not amend, rescind, waive, close out or terminate the material terms of the Hedging Document without the prior written consent of the Security Agent or unless it is otherwise permitted under the terms of the Security Agreement

6 These instructions may not be revoked without the prior written consent of the Security Agent

7 Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that.

- (a) you agree to the terms of this notice and to act in accordance with its provisions;
- (b) [you have not and will not claim, exercise or enforce any right of set-off, counterclaim or similar right in respect of the Hedging Document without the consent of the Security Agent (other than, in respect of the Hedging Document, any right of set-off or similar right set out in

- (i) the payment netting provisions set out in section 2(c) of the 1992 ISDA Master and/or section 2(c) of the 2002 ISDA Master,
- (ii) the close-out netting provisions set out in section 6(e) of the 1992 ISDA Master and/or section 6(e) of the 2002 ISDA Master constituting that Hedging Document, and
- (iii) the set-off provision set out in the Schedule to the 1992 ISDA Master (if any) and/or section 6(f) of the 2002 ISDA Master (if applicable),

notwithstanding the extent to which such 1992 ISDA Master or 2002 ISDA Master is amended by its Schedule, as such term is referred to in the relevant 1992 ISDA Master or 2002 ISDA Master,]

- (c) you have not received notice of the interest of any third party in the Hedging Document, and
- (d) [you will notify the Security Agent of any breach by us of the terms of the Hedging Document and will allow the Security Agent or the Secured Parties referred to in this notice to remedy that breach]

8 This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law

Yours faithfully,

.. ..
for and on behalf of
[CHARGOR]

.. ..
for and on behalf of
GLAS NOMINEES LIMITED
as Security Agent

[On acknowledgement copy]

To. GLAS Nominees Limited as Security Agent
2 London Wall Buildings
London EC2M 3EE

Copy to [CHARGOR]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it

for and on behalf of
[Counterparty to relevant Hedging Document]

Date [●]

SCHEDULE 6

FORM OF DEED OF ACCESSION

THIS DEED is made on [●]

BETWEEN

- (1) [COMPANY NAME] (registered number [●]) with its registered office at [●] (the *Additional Chargor*);
- (2) **AZINCOURT INVESTMENT S.L.U.** for itself and as attorney for each of the other Chargors under and as defined in the Debenture referred to below (the *Parent*), and
- (3) [●] for itself and as agent and trustee for each of the other Secured Parties under and as defined in the Debenture referred to below (the *Security Agent*)

WHEREAS:

- (A) The Additional Chargor is a [direct/indirect] wholly owned Subsidiary of the Parent
- (B) The Parent has entered into a debenture dated [●] (the *Debenture*) between the Parent, the Original Chargors and the Security Agent.
- (C) The Additional Chargor has agreed to enter into this Deed and to become a Chargor under the Debenture. The Additional Chargor will also, by execution of a separate instrument, become a party to the Intercreditor Agreement as an Obligor.
- (D) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand

IT IS AGREED as follows:

1. INTERPRETATION

Terms defined in the Debenture have the same meaning in this Deed unless given a different meaning in this Deed. This Deed is a Finance Document.

2. ACCESSION

With effect from the date of this Deed, the Additional Chargor

- (a) will become a party to the Debenture as a Chargor, and
- (b) will be bound by all the terms of the Debenture which are expressed to be binding on a Chargor

3. SECURITY

- (a) Paragraphs (b) to (g) inclusive below apply without prejudice to the generality of Clause 2 (*Accession*) of this Deed.

- (b) The Additional Chargor mortgages, charges, assigns or agrees to assign by way of security to the Security Agent all its rights, title and interest in and to the Security Assets specified in the Schedule to this Deed
- (c) All Security created pursuant to this Deed
 - (i) is created in favour of the Security Agent for itself and on behalf of each of the other Secured Parties,
 - (ii) is created over the present and future assets of the Additional Chargor, and
 - (iii) is a continuing security for the payment, discharge and performance of all of the Secured Obligations and will extend to the ultimate balance of all sums payable under the Relevant Finance Documents regardless of any intermediate discharge in whole or in part, and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (d) If the Additional Chargor purports to assign or charge (absolutely or by way of first fixed charge) an asset other than Real Property under this Deed and such assignment or charge breaches a term of an agreement binding on the Additional Chargor in respect of that asset because (i) the consent of a person (other than a member of the Group) has not been obtained or (ii) such assignment or charge is absolutely prohibited:
 - (i) the Additional Chargor shall notify the Security Agent as soon as reasonably practicable;
 - (ii) subject to paragraph (iv) of this Clause 3(d), the relevant assignment or fixed charge hereunder will extend to (to the extent no breach of the relevant agreement would occur) the Related Rights in respect of that asset but will exclude the asset itself,
 - (iii) unless the Security Agent otherwise requires, that Chargor shall use all reasonable endeavours to obtain the consent of the relevant person or a waiver of such absolute prohibition as applicable and, if obtained, shall promptly provide a copy of that consent to the Security Agent, and
 - (iv) if the consent or waiver is obtained, the relevant asset shall become subject to the Security created pursuant to this Deed in favour of the Security Agent under Clause 3.2 (*Fixed charges*) or Clause 3.3 (*Assignments*) of the Debenture as applicable
- (e) If the Additional Chargor purports to mortgage or charge any Real Property under this Deed and such mortgage or charge breaches a term of an agreement binding on that Chargor in respect of that Real Property (the *Excluded Property*) because (i) the consent of a person (other than a member of the Group) has not been obtained or (ii) such mortgage or charge is absolutely prohibited
 - (i) upon becoming aware of such breach, the Additional Chargor shall notify the Security Agent as soon as reasonably practicable,

- (ii) subject to paragraph (vi) of this Clause 3(e), the relevant mortgage or fixed charge hereunder will extend to (to the extent no breach of the relevant agreement would occur) the Related Rights in respect of the Excluded Property but will exclude the Excluded Property itself;
 - (iii) upon receiving a notice issued by the Additional Chargor pursuant to sub-clause (i) above, the Security Agent shall, if that Chargor so requests and to the extent reasonably practicable provide that Chargor with the opportunity to make representations regarding the commercial impact of seeking a consent or waiver (as applicable) in relation to the Excluded Property,
 - (iv) having due consideration of the representations made by the Additional Chargor, the Security Agent may waive the requirement on the Chargor to obtain the consent of the relevant person or a waiver of such absolute prohibition as applicable,
 - (v) unless the Security Agent otherwise requires in accordance with sub-clause (iv) above, the Additional Chargor shall use all reasonable endeavours to obtain the consent of the relevant person or a waiver of such absolute prohibition as applicable and, if obtained, shall as soon as reasonably practicable provide a copy of that consent or waiver to the Security Agent,
 - (vi) if the consent or waiver is obtained, the Excluded Property shall become subject to the Security created pursuant to this Deed in favour of the Security Agent under Clause 3.1 (*Legal mortgages*) or Clause 3.2 (*Fixed charges*) of the Debenture as applicable, and
 - (vii) if the consent or waiver is not obtained (including, for the avoidance of doubt, because the Security Agent has waived the requirement to obtain such consent or waiver under sub-clause (iv) above) within 35 Business Days of the date of this Deed the Excluded Property shall remain subject to the floating charge created pursuant to Clause 3.4 (*Floating charge*) of the Debenture
- (f) The Security Agent holds the benefit of this Deed for itself and on trust for each of the other Secured Parties
 - (g) The fact that the details of any assets in the Schedule to this Deed are incorrect or incomplete shall not affect the validity or enforceability of this Deed or the Debenture in respect of the assets of the Additional Chargor

4. MISCELLANEOUS

With effect from the date of this Deed

- (a) the Debenture will be read and construed for all purposes as if the Additional Chargor had been an original party in the capacity of Chargor (but so that the Security created pursuant to this Deed and obligations of the Additional Chargor created on this accession will be created on the date of this Deed),
- (b) any reference in the Debenture to "this Agreement" and similar phrases will include this Deed and all references in the Debenture to any relevant schedule to the Debenture (or any part of it) will include a reference to the Schedule to this Deed (or relevant part of it), and

- (c) the Parent, for itself and as agent for each of the other Chargors under the Debenture, agrees to all matters provided for in this Deed

5. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in relation to this Deed shall be governed by, and interpreted in accordance with, English law

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed

SCHEDULE

SECURITY ASSETS

**Part A
Real Property**

Freehold/leasehold [•]	Description [•]	Title number [•]
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**Part B
Group Shares**

Group Member [•]	Number and class of shares [•]	Details of nominees holding legal title [•]
-----------------------------	---	--

**Part C
Accounts**

Account Bank [•]	Account Number [•]	Sort Code [•]
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**Part D
Insurance Policies**

[Details to be inserted]

**Part E
Specified Intellectual Property**

[Details to be inserted]

SIGNATORIES TO THE DEED OF ACCESSION

The Additional Chargor

EXECUTED as a DEED)
by [●])
acting by:)

Director

Director/Secretary

The Original Chargors

EXECUTED as a DEED)
by)
acting by:)

Director

Director/Secretary

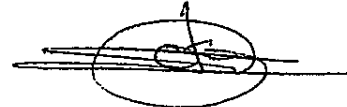
The Security Agent

GLAS NOMINEES LIMITED)
By)

SIGNATORIES TO THE DEBENTURE

Chargors

EXECUTED as a DEED)
by **AZINCOURT INVESTMENT, S.L.U.**,)
a company incorporated in Spain)
and signed by **TOMÁS NÚÑEZ AND DOLORES LEBANA**)
being a person who in accordance with the)
laws of that territory is acting under the)
authority of that company)



EXECUTED as a DEED)
by **3C HOLDINGS LIMITED**)
acting by)

Director.

Director/Secretary.

EXECUTED as a DEED)
by **3C WASTE LIMITED**)
acting by.)

Director.

Director/Secretary.

EXECUTED as a DEED)
by **ALLINGTON O&M**)
SERVICES LIMITED acting by)

Director.

Director/Secretary.

EXECUTED as a DEED)
by **ALLINGTON WASTE**)
COMPANY LIMITED acting by.)

Director.

Director/Secretary.

SIGNATORIES TO THE DEBENTURE

Chargors

EXECUTED as a DEED)
by **AZINCOURT INVESTMENT, S.L.U.**,)
a company incorporated in Spain)
and signed by _____)
being a person who in accordance with the)
laws of that territory is acting under the)
authority of that company)

EXECUTED as a DEED)
by **3C HOLDINGS LIMITED**)
acting by:)

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED)
by **3C WASTE LIMITED**)
acting by)

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED)
by **ALLINGTON O&M**)
SERVICES LIMITED acting by)

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED)
by **ALLINGTON WASTE**)
COMPANY LIMITED acting by)

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by ANTI-WASTE (RESTORATION)
LIMITED acting by

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by ANTI-WASTE
LIMITED acting by

Director:

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by ARNOLD WASTE DISPOSAL
LIMITED acting by

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by DARRINGTON QUARRIES
LIMITED acting by

Director

PAUL TAYLOR

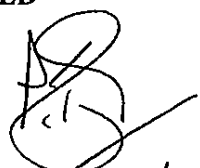
Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by FCC ENVIRONMENT
(BERKSHIRE) LIMITED
acting by

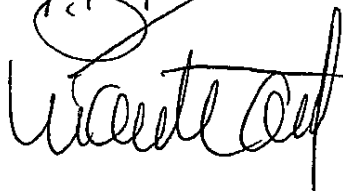
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)

Director:



PAUL TAYLOR

Director/Secretary:



VICENTE ORTS

EXECUTED as a DEED
by FCC ENVIRONMENT
(LINCOLNSHIRE) LIMITED
acting by

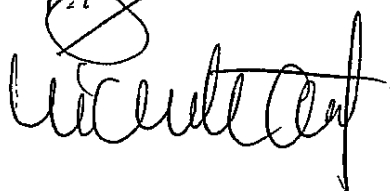
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Director:



PAUL TAYLOR

Director/Secretary:



VICENTE ORTS

EXECUTED as a DEED
by FCC ENVIRONMENT
(UK) LIMITED
acting by.

)
)
)
)

Director:



PAUL TAYLOR

Director/Secretary:



VICENTE ORTS

EXECUTED as a DEED
by FCC ENVIRONMENT
LIMITED acting by.

)
)
)
)

Director:



PAUL TAYLOR

Director/Secretary:



VICENTE ORTS

EXECUTED as a DEED
by **FCC ENVIRONMENT (UK)**
LIMITED acting by:

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by **FCC ENVIRONMENTAL**
SERVICES LIMITED acting by:

Director.

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by **FCC RECYCLING**
(UK) LIMITED
acting by:

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by **FCC WASTE SERVICES**
(UK) LIMITED
acting by:

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by **FINSTOP LIMITED**
acting by

Director.

Director/Secretary:

PAUL TAYLOR

EXECUTED as a DEED
by **FOCSA SERVICES (UK) LIMITED**
acting by

Director

Director/Secretary:

VICENTE ORTS

EXECUTED as a DEED
by **HYKEHAM O&M SERVICES**
LIMITED acting by.

Director

Director/Secretary:

PAUL TAYLOR

VICENTE ORTS

EXECUTED as a DEED
by **INTEGRATED WASTE**

MANAGEMENT LIMITED acting by:

Director.

Director/Secretary:

PAUL TAYLOR

VICENTE ORTS

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20/01/2020

VICENTE ORTS

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[Signature]

VICENTE ORTIZ


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Vincent

VICENTE ORTS

)
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Wendy

VILCENTE ORTIZ

EXECUTED as a DEED
by T. SHOOTER LIMITED
acting by

Director:

PAUL TAYLOR

Director/Secretary:

VICENTE ORTS

EXECUTED as a DEED
by WASTE RECOVERY LIMITED
acting by.

Director:

PAUL TAYLOR

Director/Secretary:

VICENTE ORTS

EXECUTED as a DEED
by WASTE RECYCLING GROUP
(CENTRAL) LIMITED
acting by

Director:

PAUL TAYLOR

Director/Secretary:

VICENTE ORTS

EXECUTED as a DEED
by WASTE RECYCLING GROUP
(SCOTLAND) LIMITED
acting by.

Director:

PAUL TAYLOR

Director/Secretary:

VICENTE ORTS

EXECUTED as a DEED
by **WASTE RECYCLING GROUP**
(YORKSHIRE) LIMITED
acting by.

Director

Director/Secretary

PAUL TAYLOR

VICENTE ORTS

EXECUTED as a DEED
by **WASTE RECYCLING GROUP**
(UK) LIMITED
acting by

Director

Director/Secretary

PAUL TAYLOR

VICENTE ORTS

EXECUTED as a DEED
by **WASTENOTTS (RECLAMATION)**
LIMITED
acting by

Director

Director/Secretary

PAUL TAYLOR

VICENTE ORTS

EXECUTED as a DEED
by **WASTENOTTS O&M**
SERVICES LIMITED
acting by

Director

Director/Secretary

PAUL TAYLOR

VICENTE ORTS

EXECUTED as a DEED
by **WELBECK WASTE**
MANAGEMENT LIMITED
acting by

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by **WRG (MIDLANDS) LIMITED**
acting by

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by **WRG (NORTHERN) LIMITED**
acting by

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by **WRG ACQUISITIONS 2 LIMITED**
acting by:

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by **WRG ENVIRONMENTAL LIMITED**
acting by:

Director

PAUL TAYLOR

Director/Secretary

VICENTE ORTS

EXECUTED as a DEED
by WRG WASTE SERVICES LIMITED
acting by.

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)

Director

PAUL TAYLOR

Director/Secretary

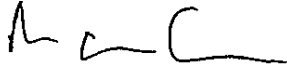
A handwritten signature in cursive script, appearing to read 'Vicente Ortiz', with a checkmark at the end.

VICENTE ORTIZ

The Security Agent

GLAS NOMINEES LIMITED

By



Address

2 London Wall Buildings
London EC2M 5UU

Fax

+44 (0) 20 3163 1700

Attention:

Admin

Copy to

Claudia Small