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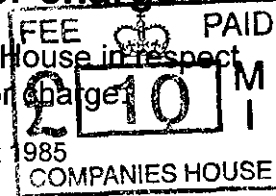
* insert full name of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge

Pursuant to section 395 of the Companies Act 1985



118351

395

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

For official use

Company number

3

988844

Name of company

* SHANKS WASTE SERVICES LIMITED (the "Chargor")

Date of creation of the charge

23 December 2002

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

CHARGE dated 23 December 2002 and made between the Chargor and the Security Agent (the "Deed")

Amount secured by the mortgage or charge

Subject to clause 2 (b) of the Deed the Chargor as primary obligor has covenanted with the Security Agent (for the benefit of itself and the other Finance Parties) that it will perform, pay and discharge:

(i) the Indebtedness; and

(ii) all of its obligations under the Transaction Documents to which it is as at 23 December 2002 or at any time expressed to be a party,

(together the "Secured Obligations").

continued on addendum 2/4

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

ABN AMRO BANK N.V., 250 Bishopsgate, London as security trustee for the Finance Parties under the Security Documents (the "Security Agent")

Postcode EC2M 4AA

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

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London EC2A 2HA

WBR/Banking/2896052

Time critical reference

For official Use
Mortgage Section

now part



PMO *P9RGP88U* 0127
COMPANIES HOUSE 31 11/2/02
A02 *AUG99HFG* 0721
COMPANIES HOUSE 08/01/03
A09 *AUG99HFG* 0830
COMPANIES HOUSE 31/12/02

Short particulars of all the property mortgaged or charged

1. CHARGING CLAUSE

1.1 Fixed charges

The Chargor, as security for the Secured Obligations, charged in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:

(a) by way of first legal mortgage, the Securities and all corresponding Distribution Rights;

(b) by way of first fixed charge if not effectively assigned by clause 3.2 (Security Assignment) of the Deed, all its right, title and interest in (and claims under) the Assigned Agreements.

continued on addendum 4/4

Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

N/A

Signed Andrew James Crisp

Date 24.12.02

On behalf of [mortgagee/chargee][†]

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See note 5)

NOTES

† delete as appropriate

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF14 3UZ

Company number

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Name of company

* insert full name
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* SHANKS WASTE SERVICES LIMITED (the "Chargor")

Addendum 1/4

1. Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Name of company

* insert full name
of company

* SHANKS WASTE SERVICES LIMITED (the "Chargor")

Addendum 2/4

2. Amount due or owing on the mortgage or charge (continued)

Note.

In this form:

"Account Bank" means ABN AMRO BANK N.V.;

"Accounts Agreement" means the accounts agreement dated 23 December 2002 and made between the Borrower, the Account Bank, the Security Agent and the Facility Agent;

"Assigned Agreements" means the agreements listed in schedule 1 to the Deed;

"Borrower" means Elwa Limited (CRN: 2900386);

"Charged Property" means the assets mortgaged, charged or assigned to the Security Agent by the Deed;

"Credit Agreement" means the credit agreement dated 23 December 2002 between the Borrower, the financial institutions named therein as arrangers, the financial institutions named therein as lenders, the financial institution named therein as facility agent, the financial institution named therein as security agent, the financial institution named therein as account bank and the financial institution named therein as technical bank;

"Distribution Rights" means all dividends, distributions and other income paid or payable on the Securities, together with all shares or other property derived from those Securities and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to those Securities (whether by way of conversion, redemption, bonus, preference, option or otherwise);

"Enforcement Event" means the earlier of:

(a) the exercise by the Facility Agent of any of its rights under clause 20.2 (Consequences of Events of Default) of the Credit Agreement; and

(b) the Borrower giving notice to terminate the Operating Contract in accordance with clause 51 thereof;

"Equity Subscription Agreement" means the subscription agreement in the agreed form dated 23 December 2002 and made between the Initial Shareholder (as defined therein), the Borrower and the Facility Agent providing among other things for the subscription by the Shareholders (as defined therein) for shares in and loan stock issued by the Borrower;

"Facility Agent" means ABN AMRO Bank N.V.;

"Finance Documents" means:

(a) the Credit Agreement;

(b) the Intercreditor Agreement (as defined in the Credit Agreement);

(c) the Security Documents (as defined in the Credit Agreement);

(d) the Accounts Agreement;

(e) the Equity Subscription Agreement (as defined in the Credit Agreement);

(f) each Letter of Credit (as defined in the Credit Agreement);

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(g) each Hedging Agreement (as defined in the Credit Agreement);

(h) the Fees Letters (as defined in the Credit Agreement);

(i) the Mandate Letter (as defined in the Credit Agreement);

(j) each Transfer Certificate (as defined in the Credit Agreement); and

(k) each other document that is designated as a Finance Document by the Borrower and the Facility Agent;

"Finance Parties" means each Arranger, each Agent, each Lender, the Account Bank, the Technical Bank and each Hedging Provider (all as defined in the Credit Agreement);

"Indebtedness" means all money or liabilities due, owing or incurred by the Chargor under the Equity Subscription Agreement at present or in the future, in any manner whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon;

"Operating Contract" means the operating contract dated 23 December 2002 in relation to the Project (as defined in the Credit Agreement) and made between the Chargor and the Borrower;

"Project Accounts" means the Buy-Down Account, the Capex and Maintenance Reserve Account, the Change in Law Reserve Account, the Compensation Account, the Debt Service Reserve Account, the Distribution Account, the Holding Account, the Insurance Proceeds Account, the Joint Insurance Account, the Lifecycle Retention Account and the Proceeds Account (all of which are as defined in the Credit Agreement);

"Securities" means the Ordinary Shares, Voting Shares and Loan Stock (all as defined in the Equity Subscription Agreement) owned by the Chargor from time to time;

"Security Documents" means each of the security documents specified in schedule 2 (Security Documents) to the Credit Agreement and all other documents creating, evidencing or granting a Security Interest in favour of any Finance Party or the Borrower in relation to the obligations of any Major Project Party (as defined in the Credit Agreement) under any Finance Document or Project Document (as defined in the Credit Agreement);

"Security Interest" means any mortgage, charge (fixed or floating), pledge, lien, hypothecation, right of set-off, security trust, assignment by way of security, reservation of title, any other security interest or any other agreement or arrangement (including a sale and repurchase arrangement) having the commercial effect of conferring security.

"Transaction Documents" means the Project Documents (as defined in the Credit Agreement), the Finance Documents and the Equity Documents (as defined in the Credit Agreement).

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Name of company

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Addendum 3/4

3. Names, addresses and description of the mortgagees or persons entitled to the charge (continued)

Name of company

* insert full name of company

* SHANKS WASTE SERVICES LIMITED (the "Chargor")

Addendum 4/4

4. Short particulars of all the property mortgaged or charged (continued)

1.2 Security assignment

(a) As further security for the Secured Obligations, the Chargor assigned absolutely with full title guarantee to the Security Agent all right, title and interest in (and claims under) the Assigned Agreements and any guarantees, warranties, licences and/or other agreements collateral to the Assigned Agreements and all related property rights in respect of the same provided that on payment or discharge in full of the Indebtedness the Security Agent will at the request and cost of the Chargor re-assign the Assigned Agreements to the Chargor (or as it shall direct).

b) Until the occurrence of an Enforcement Event, but subject to clause 8.6 (Assigned Agreements) of the Deed and the terms of the Finance Documents;

(i) the Chargor may continue to deal with the counterparties to the relevant Assigned Agreements; and

(ii) any payments received by the Security Agent (or the Borrower) in respect of any Assigned Agreement or Insurances shall be paid into the relevant Project Account in accordance with the Account Agreement unless the Security Agent requires and/or except to the extent that the Finance Documents require such amounts to be applied against the Indebtedness.

2. FURTHER ASSURANCE

2.1 General

(a) The Chargor will, at its own expense, as soon as is reasonably practical following request by the Security Agent, execute such deeds and other agreements and otherwise take whatever action the Security Agent acting reasonably may require:

(i) to perfect and/or protect the security created (or intended to be created) by the Deed;

(ii) to facilitate the realisation or enforcement of such security;

(iii) to facilitate the exercise of any of the Security Agent's rights, powers or discretions under the Deed; and/or

(iv) to confer on the Security Agent security over any assets of the Chargor (in whatever jurisdiction situated) equivalent or similar to the security intended to be conferred by the Deed,

including the conversion of charges to assignments, equitable security to legal security, the execution of any transfer, conveyance, assignment or assurance whatsoever and the giving of all notices, orders, instructions and directions whatsoever.

(b) Any security document required to be executed by the Chargor under clause 5.1 of the Deed will contain clauses corresponding to the provisions set out in the Deed.

3. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

The Chargor may not:

(a) create or agree to create or permit to subsist any Security Interest over all or any part of the Charged Property;

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(b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or

(c) dispose of the equity of redemption in respect of all or any part of the Charged Property,
except as permitted by the Finance Documents.

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY No. 00988844

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE DATED THE 23rd DECEMBER 2002 AND CREATED BY SHANKS WASTE SERVICES LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME FROM THE COMPANY TO THE SECURITY AGENT (FOR THE BENEFIT OF ITSELF AND THE OTHER FINANCE PARTIES) UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 31st DECEMBER 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 9th JANUARY 2003.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —