

Senior Term Loan Facility Agreement

Assurance Statement for Lenders

Statement from Mercia Waste Management

1. Financial Performance

The Company performed well in 2021 assisted by higher recycling prices and a recovery in commercial waste tonnages. The Company has dealt with the impact of the national shortage of drivers and the temporary impact of the restricted availability of carbon dioxide on third party recycling operations.

The start of the new financial year has been satisfactory.

2. Loan Repayment

The payments due to the Councils at the end of December were made in full and on time. As at the date of this statement, the Company anticipates being able to continue to make payments as per the Loan Agreement. The Repayments of Capital and Interest for the period ending 30th June 2022 are planned in the Company's forward - looking projections and will be made on or before that date.

3. Buildings, Plant and other Infrastructure

No material problems exist which would require the Lenders attention at any of the Company's Facilities.

4. Compliance with Environmental Conditions and Permits

There are no material issues at any sites.

5. Insurance

The Company's annual insurance renewal process for the Sites other than the Energy from Waste Plant (EfW) has been completed. As noted previously, the renewal was difficult as a result of losses elsewhere in the industry. To maintain the same level of cover and deductibles, cost increases were experienced but at a manageable level, somewhat less than feared. The Company expects to receive terms for the EfW Plant's shortly, in time for the renewal at the end of the month.

6. Key Staff

As reported previously the EfW's Operations Manager is continuing to recover from a serious cycling accident and has just recommenced working full time. Other key staff remain in place.

Appropriate measures are in place in respect of Covid 19 and are where relevant are monitored and updated by the Company's internal Health and Safety Officers.

J W Haywood - Mercia Waste Management. 07.02.2022