

SEVERN TRENT WATER LIMITED

-and-

RED INDUSTRIES LIMITED

AGREEMENT

Severn Trent Water Limited
Water Industry Act 1991

**Agreement for the discharge of trade effluent to the public foul water sewer
made between**

Red Industries Limited
Sneyd Hill
Burslem
Stoke-on-Trent Staffordshire
ST6 2DZ

Hereinafter called "the Company"

Severn Trent Water Limited
2297 Coventry Road
Birmingham
B26 3PU

Hereinafter called "STW"

STW is a Sewerage Undertaker under the provisions of the Water Industry Act 1991 and is empowered to enter into this Agreement under the provisions of Section 129 of the said Act.

The Company owns and occupies premises at **Red Industries Limited, Sneyd Hill, Burslem, Stoke-on-Trent, Staffordshire, ST6 2DZ** hereinafter called "the premises" where it operates the trade of **Waste Management**

STW subject to the Company complying with the terms and conditions of this Agreement hereby permits the discharge of trade effluent specified below and produced by the Company at the said premises.

This agreement replaces any earlier consents, directions or agreements to discharge trade effluent from the said premises

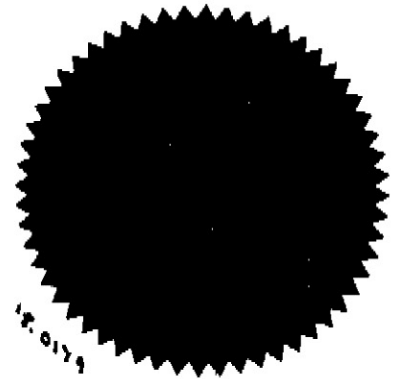
- Sewer Affected** 1. The public sewer into which the trade effluent may be discharged is the foul water sewer situated in **Sneyd Hill** hereinafter called "the sewer"
- Nature or Composition** 2. The trade effluent to be discharged shall consist solely of waste waters derived from **transfer operation** hereinafter called the "trade effluent"
- Maximum volume** 3. The maximum volume of the trade effluent to be discharged in any continuous period of 24 hours shall not exceed **300 cubic metres**.
- Maximum rate** 4. The highest rate at which the trade effluent may be discharged shall not exceed **5 litres per second**.
- Period of discharge** 5. The trade effluent shall only be discharged into the public sewer between **00:00 and 23:59 hours**.
- Conditions of the Discharge** 6. a. All the trade effluent discharged by the Company into the said sewer shall comply with the conditions and limits set out in Appendix I and II hereto and shall not exceed the limits therein contained nor contain any substances or properties not listed in the aforesaid Appendix I except with the prior written permission of STW which shall not be unreasonably withheld or delayed.
- b. The trade effluent to be discharged shall not contain any special category effluent (as defined in Section 138 of the Water Industry Act 1991) in a concentration greater than background concentration (as defined in the Trade Effluents (Prescribed Processes and Substances) Regulations 1989).
- c. Where the trade effluent derives from a prescribed process mentioned in Schedule 2 to the Trade Effluents (Prescribed Processes and Substances) Regulations 1989, it shall not contain asbestos (as defined in the said Regulations) and chloroform in a concentration greater than the background concentration (as defined in the said Regulations);

Inspection Chamber	7. An inspection chamber or manhole shall be provided and maintained in connection with each pipe through which the trade effluent is to be discharged into the public sewer and such inspection chamber or manhole shall be so constructed and maintained as to enable a person to readily obtain samples at any time of the trade effluent so discharged.
Quality and volume measurement	8. a.Apparatus adequate for measuring and automatically recording the volume, rate and composition of the trade effluent so discharged shall be provided with every such pipe and such measurement apparatus shall be maintained and tested to the satisfaction of STW. b.If the measuring and recording apparatus ceases to record or is suspected of not measuring correctly then STW shall have the right to make estimates of the volume and composition of the trade effluent until such time as the said apparatus is again operating to the satisfaction of STW. c.The foregoing provisions of this condition shall be of no effect so long as there is provided and maintained to the satisfaction of STW some other method approved by STW of sampling the trade effluent or determining, measuring and recording the volume and composition of the trade effluent so discharged. d.Records of the volume and composition of the trade effluent discharged into the sewer shall be kept available at all times for inspection by any authorised representative of STW and copies of such records shall be sent to STW on demand.
Period of the Agreement	9. This Agreement and the Company's entitlement to discharge the trade effluent will continue for a period of 2 years from the date hereof. The effluxion of such period shall be unaffected by any period of suspension of this Agreement.
Assignment	10. The Company shall not assign or otherwise part with its obligations or the benefits of this Agreement except with the prior written consent of STW.
Extension	11. STW may at any time by notice in writing upon application of the Company extend the period of operation of this Agreement subject to review (including amendment addition or deletion) of the terms and conditions hereof for a further specified period. The terms and conditions hereof shall apply to any such period of extension subject to any variation thereof notified in writing by STW to the Company.
Payment	12. Payment shall be made to STW for the reception, treatment and disposal of the trade effluent discharged into the public foul water sewer in accordance with STW's Scheme of Charges in force from time to time. All sums payable to STW under this condition shall become due and payable on demand.
Law of England	13. This Agreement shall be governed by and construed in accordance with the law of England. The Contracts (Rights of Third Parties) Act 1999 is not intended to apply to this Agreement.

IN WITNESS whereof the parties hereto have hereunto affixed their respective common seals the day and year first before written

THE COMMON SEAL of
SEVERN TRENT WATER LIMITED
was hereunto affixed
in the presence of:-

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)
)
)



[Handwritten signature]

Authorised signatory

Print name A.S. PROUSE

A Limited Company acting
by the power of two Directors

)
)
)
)

[Handwritten signature]

Director

Print name A. S. PROUSE

[Handwritten signature]

Secretary

Print name ALAN CLAPPERTON

APPENDIX I

QUALITY CONDITIONS

1. The temperature of the trade effluent shall not exceed 43 degrees Centigrade.
2. The pH value of the trade effluent shall not be less than 6 nor greater than 10 in the recognised scale.
3. The total of Suspended Solids in the trade effluent shall not exceed 1000 milligrams per litre.
4. The Chemical Oxygen Demand from acidified dichromate (COD) of the trade effluent shall not exceed 20000 milligrams per litre expressed as O.
5. The highest rate at which the trade effluent may be discharged shall not exceed 5 litres per second.
6. The maximum volume of trade effluent to be discharged in any continuous period of 24 hours shall not exceed 300 cubic metres.
7. The maximum Chemical Oxygen Demand load in the trade effluent to be discharged during any period of 24 hours shall not exceed 2100 kilograms, the load being the product of the volume and the Chemical Oxygen Demand from acidified dichromate of the trade effluent discharged during that 24 hour period, determined on the basis of a settled sample.
8. The total Copper load in the trade effluent shall not exceed 0.75 kilograms per day.
9. The total Zinc load in the trade effluent shall not exceed 0.75 kilograms per day.
10. The maximum Ammonia load in the trade effluent to be discharged during any period of 24 hours shall not exceed 75 kilograms, the load being the product of the volume and the Ammonia concentration of the trade effluent discharged during that 24 hour period.
11. The total of Copper in the trade effluent shall not exceed 5 milligrams per litre.
12. The total of Zinc in the trade effluent shall not exceed 5 milligrams per litre.
13. The total of Soluble Sulphates in the trade effluent shall not exceed 1000 milligrams per litre expressed as SO₄.
14. The total of Ammoniacal Nitrogen in the trade effluent shall not exceed 500 milligrams per litre expressed as N.
15. The total of Sulphides in the trade effluent shall not exceed 1 milligrams per litre expressed as S.
16. The trade effluent shall not include any constituent or combination of constituents which, when tested at a dilution of one in two hundred (1 in 200), causes inhibition of nitrification of greater than 20 per cent.

17. The trade effluent shall be free from physically separable oil.
18. The trade effluent shall not contain any halogenated hydrocarbons.
19. The trade effluent shall not contain any halogenated phenols.
20. Volatile Organic Carbons (VOC) limit to be issued via separate letter.
21. The trade effluent shall not contain any substance or substances which either alone, or in combination with any matter in any sewers or receiving sewage treatment works vested in and/or under the control of Severn Trent Water Limited, would give rise to obnoxious, poisonous or inflammable gases, or otherwise a statutory nuisance as defined by the Environmental Protection Act 1990 in such sewers or works, would be deleterious to such sewers or to the processes in use at such works or to the disposal of sludges produced by such works.

A shaken sample is to be used except for COD, where the sample shall be supernatant after 1 hour settlement.

APPENDIX II

1. Quality and Volume Measurement

Quality Measurement

There shall be provided a time and/or flow proportional automatic liquid sampler coupled to the flow recorder, which should be positioned so that it will collect a representative sample, free from domestic sewage, rain water, and uncontaminated surface water. The sampler must be designed to provide STW with a 24 hour composite flow/time proportional sample, the sample bottles being changed daily by the Company, and retained for a further 24 hours. The samples obtained must be made available at any time to a representative of STW.

Sampling Point

To enable a representative sample of trade effluent to be taken a suitable sampling point shall be provided to the satisfaction of STW at a point marked SAMPLING POINT as shown on the Plan No. **006480V/09/2006** hereto.

Safe access to and exit from this point for inspection and monitoring purposes by authorised representatives of STW shall be provided.

Volume Measurement

There shall be provided a continuously integrating flow recorder which shall record in litres per second and integrate in cubic metres. The volume measured shall be that of the trade effluent excluding domestic sewage, rainwater and uncontaminated surface water. The instrument must be fitted with a recording chart or other data logging device acceptable to STW and the data so recorded must be kept readily available for on site examination by STW staff.

There shall be provided a supply of water capable of being discharged through the flow recorder at the maximum rate of discharge of the trade effluent and measured by a conventional water supply meter to enable the accuracy of the flow recorder to be checked when required by STW, or other such calibration check as agreed with and to the satisfaction of STW.

2. Spillages

In the event of any spillage at the said premises which is likely to enter a public sewer otherwise than in compliance with the terms of this Agreement the Company shall forthwith take all reasonably practicable steps to prevent such entry and shall forthwith notify STW by telephone.

3. Suspension and Termination

If at any time the Company shall fail to comply with or be in breach of any term or condition of this Agreement STW may serve on the Company written Notice requiring the Company immediately to take such steps as may be necessary to comply with the terms and conditions of this Agreement.

If the Company fails to comply with the Notice STW shall be entitled to suspend this Agreement for such period as STW reasonably considers necessary for completion by the Company of the steps required to be taken.

If at expiry of a period of suspension the Company has not taken the specified steps and would continue to fail to comply with or would continue to be in breach of any term or condition of this Agreement if the discharge of the trade effluent to the sewer were to resume, STW shall be entitled entirely within its discretion to terminate this Agreement by Notice to the Company, such Notice to be effective forthwith but without prejudice to rights of either party arising prior to such termination.

If at any time or times STW for its own operational reasons determines that the operation of this Agreement shall be suspended STW may notify the Company in writing stating the period or periods during which the operation of this Agreement is to be suspended and the Company shall forthwith upon commencement of any such period of suspension cease to discharge the trade effluent to the said sewer provided always that this power shall not be exercised by STW unreasonably and neither shall the exercise of this power give to the Company any right or claim against STW which would not otherwise have arisen.

4. No Restriction

No provision of this Agreement shall exclude or restrict the right or power of STW to take proceedings for contravention of any provision contained in the Water Industry Act 1991 or any statutory modification or re-enactment thereof or any right or power under any other statute or common law.

5. Disputes

In the event that the parties hereto are unable to resolve a dispute arising under the terms hereof such dispute shall (save for a dispute relating to sums payable by the Company to STW pursuant to Clause 12 hereof) to be referred to an arbitrator (whose decision shall be binding upon the parties) appointed by agreement of the parties or in default of agreement by the President of the Chartered Institute of Water and Environmental Management nominated by either of the parties in the event that agreement cannot be reached.

6. Notices

Any Notice required to be given by STW hereunder shall (unless stated otherwise within this Agreement) be given to the Company by first class post or telefax addressed to the Company's registered office aforesaid or by the Company to STW by first class post or telefax addressed to Severn Trent Water Ltd, 2297 Coventry Road, Birmingham, B26 3PU or such other address as STW may from time to time specify or in either case by delivery personally to the respective aforesaid address.

7. Financial Arrangements

- i) The Company shall pay to STW in respect of services rights and facilities made available under this Agreement such sums on demand as shall represent the costs of sampling analysing receiving conveying treating and disposing of the Effluent together with any other costs to STW resulting from the acceptance of the trade effluent provided that the sums payable in respect of reception

conveyance treatment and disposal shall be the charges published by STW as part of its Charges Scheme from time to time in force.

- ii) Without prejudice to STW's powers if the Company should fail to pay any such sum aforesaid within 17 days of the date of demand the Company shall pay to STW interest on the said sum demanded from the date of the demand until payment is received by STW at the rate of the Late Payment Act 1998 per annum above the Bank of England published rate three per cent per annum above the average of the base lending rates of the major London clearing banks.

An additional Nitrification Charge shall be payable to STW in accordance with the formula.

The volume of effluent discharged in cubic metres multiplied by the Nitrification Charge in Pence per cubic metre N where

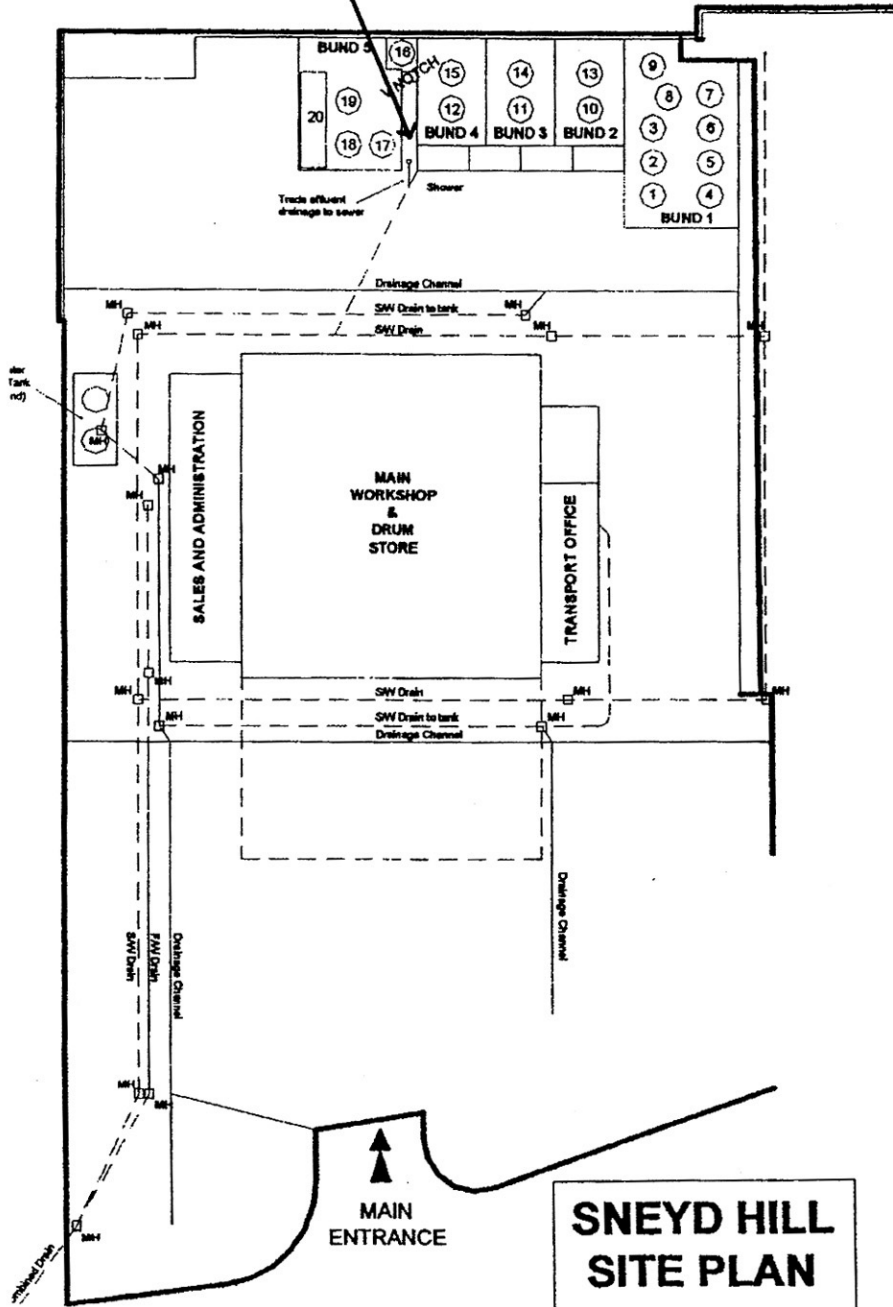
$$N = 4.57 \frac{x Nt \times B}{Os}$$

Nt = The average Ammoniacal nitrogen concentration in the effluent, in milligrams per litre Minus five per cent of the average Chemical Oxygen Demand in the effluent in milligrams per Litre, in the relevant charging period.

Os = The estimated average Chemical Oxygen Demand (COD) of settled sewage in Milligrams per litre as shown in Severn Trent's published Scheme of Charges for the relevant Period.

B = The amount shown in Severn Trent's published Scheme of Charges for the relevant period.

SAMPLING POINT



**SNEYD HILL
SITE PLAN**
INCLUDING DRAINAGE
**NOT TO
SCALE**

Severn Trent Water

10 February 2009

The Company Secretary
Red Industries Limited
Sneyd Hill
Burslem
Stoke-on-Trent
Staffordshire
ST6 2DZ

For the attention of Mr Roger Lawson - Laboratory Manager

Severn Trent Water Ltd

PO Box 51

Raynesway

Derby DE21 7JA

Tel 01332 683369

Fax 01332 683357

Direct Line 01782 654279

Contact Keith Broadgate

Your Ref

Our Ref 006480v · LOE

Dear Sirs

Water Industry Act 1991

**Agreement relating to the discharge of trade effluent from Red Industries Limited,
Sneyd Hill, Burslem, Stoke-on-Trent Staffordshire, ST6 2DZ, dated 1 October 2006**

We refer to your recent application to extend the period of the above agreement.

Severn Trent Water Limited hereby give notice that the period of agreement is extended to 30 September 2010.

All other terms and conditions shall remain unaltered.

Yours faithfully



J Lingard
General Manager – Commercial Services

A member of the Severn Trent Group



Registered in England & Wales Registration No. 2366686
Registered Office: 2297 Coventry Road Birmingham B26 3PU