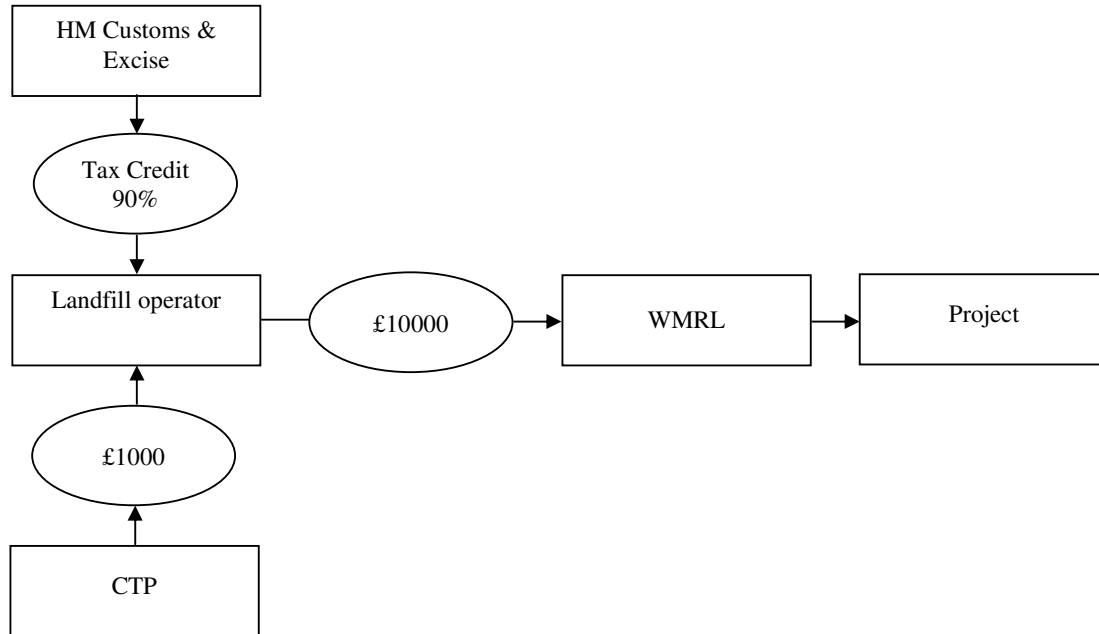


CONTRIBUTING THIRD PARTY (CTP) EXPLAINED

Under the Landfill Tax Regulations, landfill operators can contribute money to an Environmental Body (EB) such as Waste Management Research Limited and claim a tax credit for 90% of the money they have given. Landfill operators then look for a third party to reimburse the 10% that is not given as a tax credit. Any donation given by a CTP must be paid directly to a landfill operator.

The mechanism for how the CTP issue will work for this project can best be set out in a flow diagram, as follows:-



A Contributing Third Party cannot be:-

- ◆ an Environmental Body (EB);
- ◆ corporately associated with an EB; or
- ◆ a contractor associated with the project or the EB.

The CTP cannot receive a benefit unless it is a shared benefit. Like the Landfill Operator, apart from putting something back into the community, they are likely to expect some local, or even national, PR. The same yardstick on the benefit of PR applies to them as to Landfill Operators.

CTPs can be supporters or 'friends' of a particular project or body. So long as the controlling body of the supporters/friends groups are not represented by over a third on the EB, their contribution is valid and complies with the Regulations and HM Customs & Excise's requirements.

ENTRUST now require EB's to disclose the source of third party funding for a project.