**Sponsor Agreement**

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**Between**

**OPEN OPPORTUNITIES IN ENVIROTECH**

**and**

**BEDFORD ROW CAPITAL ADVISERS LTD**

**DATED 15 August 2016**

**This Agreement IS DATED 15 August 2016**

AND IS BETWEEN:

1. OPEN OPPORTUNITIES IN ENVIROTECH UK Limited a limited company incorporated and registered in England and Wales with company number 10283654 and whose registered office is at 40 Gracechurch Street, London, EC3V 0BT hereinafter referred to as the “**Client**”; and

(2) Bedford Row Capital Advisers Ltd, a limited company incorporated and registered in England and Wales with company number 10010194 and its registered office address at 1 Bedford Row. London, WC1R 4BZ2, hereinafter referred to as “**BRCA**”.

**BACKGROUND**

1. The Client wishes to initiate a listed bond programme to raise capital for investing in a number of strategies in support of its existing business;
2. BRCA is a specialist in structured finance and provides services to issuers, sponsors and asset managers in the delivery of liquid tradable securities to the wholesale market;
3. The Client and BRCA wish to enter into this Agreement (the “**Agreement**”) which will initiate a project of collaboration on various business opportunities to create a series of wholesale securities to be issued from a dedicated Client Eurobond programme.
4. The Client and BRCA also confirm arrangements for their mutual protection of Confidential Information (as defined below).

IT IS AGREED as follows:

1. **DOCUMENT PURPOSE**
   1. This Agreement relates to the collaboration between the Client and BRCA in developing securities for the Client (the “**Client Bond Programme**”) and other related business opportunities (together, the “**Purpose**”) on a confidential basis. This Agreement sets out the respective responsibilities of the parties in relation to the Purpose.
   2. This Agreement creates the contractual relationship between the Client and BRCA based on which the Client instructs BRCA to initiate and manage the development of the Client Bond Programme.
   3. The parties each agree to use their best endeavours to procure the delivery of the Client Bond Programme in a timely manner.
2. **REGULATION**
   1. The Client agrees that BRCA will classify the client as an eligible counterparty under the rules of the Financial Conduct Authority and the Client agrees to such classification.
3. **SCOPE AND INITIAL ALLOCATION OF WORK**
   1. The Client instructs BRCA, on an exclusive basis for the duration of this Agreement, to develop the Client Bond Programme. The securities to be issued under the Client Bond Programme (the “**Client Bonds**”) are, subject to any variations as may be required, to have the general characteristics as outlined in Schedule 2 and the specific details relating to the Client Bonds (the “**Bond Specification**”) required by the Client will be outlined by the Client in writing to BRCA as soon as reasonably practicable following a request from BRCA.
   2. The Client agrees to:
      1. specify the requirements for use of funds, projected cashflows, projected returns, yields, currency, and a description of the business and its associated risks which are required to define the features of the Client Bonds in the Bond Specification;
      2. procure tax advice for the Client Bond Programme to ensure the structure is optimised for tax efficiency;
      3. procure the establishment of a new plc for the purposes of issuing securities to the public and, subject to tax advice, incorporate a special purpose vehicle (an “**SPV**”) registered in an appropriate jurisdiction, in which the issuer of the Client Bonds will invest the proceeds of the issuance of the Client Bonds (the “**Client Bond Proceeds**”) pursuant to an investment agreement to be entered into with the issuer;
      4. procure, as soon as reasonably practicable, all necessary and desirable authorisations for all transaction documentation for the issuance of the Client Bonds under the terms of the relevant offering documentation (the “**Prospectus**”);
      5. provide all due diligence and anti-money laundering/know your client documentation as required by BRCA (and its advisers or other third parties) in a format to be specified by BRCA;
      6. provide assistance to BRCA, in a timely manner, in order to help achieve the target issue date expected to be on or about 29 September 2016 (the “**Expected** **Launch Date**”) of the Client Bonds of a nominal amount of GB20 million (the “**Nominal Initial Capital**”). The date on which the Client Bonds are listed on the Relevant Stock Exchange will be the “**Actual Launch Date**”;
      7. provide ongoing assistance to BRCA to collect data related to the Client Bonds and provide the business development resources and support necessary to direct and manage an investment roadshow for the purpose of promoting investment in the Client Bonds;
      8. procure if required any legal opinions to support the Client Bond Programme
      9. procure, as soon as reasonably practicable, all necessary and desirable authorisations for any marketing and financial promotion documentation for the relevant jurisdictions for distribution;
      10. use its best endeavours to market the Client Bonds.
   3. BRCA agrees to:
      1. design, legally form, structure and manage the delivery of the Client Bonds based on the features set out in Schedule 3;
      2. perform such duties as are reasonably required to develop the Client Bond Programme and conditions relating to the same including:

* Creating the Issuer plc in accordance with English Company Law
* Appointing Directors for the Issuer
* Preparation of legal and transaction documents
* Preparation of Trust deeds and Security Documents
* Agency Agreements with Trustees, Bank, Paying Agent, Calculation Agent, Registrar, Settlement Agent and Servicer
* Appropriate Due Diligence on behalf of the Trustees
* Communication with the relevant authorities and service providers (Approved Listing Particulars for the Relevant Stock Exchange)
* Application for an international security identification number (ISIN)
* Application for admission to trading at the stock exchange
* Enablement for clearing and settlement
* Procuring other services from third parties as required
* RNS set up for initial press release.
* Establishing a post-issuance settlement service
  + 1. procure and manage the necessary third-party services to support the design, development and operation of the Client Bond Programme; and
    2. co-ordinate agreements with the Client (or nominated Collateral Adviser) from time to time pursuant to the terms of the Prospectus and related documentation in relation to the Client Bond Programme.
    3. Procure on behalf of the Client the necessary resources including, where required section 21 signoff, to create the marketing documentation for the Client Bond Programme. Any costs associated with this activity will be billed separately to the Client.
  1. Both parties agree to:
     1. work together in good faith to launch the Client Bonds by, or as soon as practicable, after the Expected Launch Date; and
     2. to work together to:
        1. agree the rules that determine the composition of the Client Bonds;
        2. complete and put in place, in a timely manner, all the legal agreements required under the Prospectus or otherwise to create and issue the Client Bonds;
        3. agree a suitable redemption funding mechanism; and
        4. establish an appropriate valuation and investment methodology with due regard to the redemption funding mechanism.

1. **CONDITIONS PRECEDENT**
   1. Standard conditions precedent for a transaction of this nature, in a form and substance satisfactory to the Security Trustee, include but are not limited to:
      1. Execution of a loan agreement (incorporating guarantees, where appropriate)
      2. Payment of the fees and all other costs as specified in Schedule 1
      3. Certified copies of the constitutional documents of the Sponsor
      4. Certified copies of the board resolutions of the Sponsor (and the relevant transaction SPV)
      5. Specimen signatures
      6. Certificate in relation to borrowing, guaranteeing and granting security (as appropriate) for each transaction SPV
      7. Legal opinion from legal advisers in each relevant jurisdiction outside of the UK, if applicable
      8. Completed due diligence
      9. KYC and AML information on the Sponsor
      10. A copy of any other document, authorisation, opinion or assurance as specified by or on behalf of the Security Trustee
   2. Standard information covenants for a transaction of this nature include, but are not limited to:
      1. Management accounts of the transaction SPV within 10 days of the end of each quarter
      2. Certificate of no event of default within 10 days of the end of each quarter
      3. Compliance certificate to be delivered with annual financial statements and management accounts used for the purpose of testing the asset acquisition criteria signed by the Sponsor.
      4. Such other information as the Issuer or Security Trustee may reasonably require
2. **ADDITIONAL OBLIGATIONS** 
   1. The Client will provide BRCA with all information, co-operation and access to its staff and agents as may be reasonably required by BRCA for the development of the Client Bond Programme.
   2. The Client will make any decisions relating to the Client Bond Programme in a timely manner and will notify BRCA in writing of such decisions as soon as reasonably practicable after any such decision has been made.
   3. The Client will indemnify (on a full indemnity basis) BRCA against any expenses and disbursements reasonably incurred in the engagement of advice or services of any lawyers or other professionals or experts whose advice or services BRCA considers necessary for the Client Bond Programme.
   4. The Client agrees that it will have no recourse to BRCA in relation to any advice obtained by BRCA for, and on behalf of, the Client, and as such, BRCA will incur no liability to the Client in respect of any action taken or suffered by the Client in relying on such advice.
   5. Pursuant to clause 7, BRCA will be indemnified by the Client for any and all related costs and expenses incurred under clauses 5.2 to 5.4. Any costs to be incurred by BRCA under clauses 5.2 to 5.4 in excess of £500 will be approved by the Client (such approval not to be unreasonably withheld or delayed) prior to being incurred.
   6. The Client will not make any false or misleading representations to the public or third parties regarding BRCA. The Client is prohibited from engaging in any deceptive, misleading or unethical practices that may be detrimental to BRCA, and will comply with all applicable laws and regulations in the jurisdictions in which it operates from time to time. The Client will ensure that its activities comply with all relevant legislation, rules, regulations and statutory requirements.
   7. BRCA will not make any false or misleading representations to the public or third parties regarding the Client. BRCA will avoid deceptive, misleading or unethical practices that may be detrimental to the Client and will comply with all applicable laws and regulations in the jurisdictions in which it operates from time to time. BRCA will ensure that its activities comply with all relevant legislation, rules, regulations and statutory requirements.
3. **ASSISTANCE**

Each of the parties undertakes to provide the other with such assistance as the other party will reasonably require in the performance of its duties and obligations under this Agreement.

1. **RELATIONSHIP OF PARTIES**

Both parties are independent entities under this Agreement. Nothing in this Agreement is intended to, or will be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party without the prior written consent of that party.

1. **FEES, LIABILITIES AND INDEMNITIES**
   1. The Client agrees to pay to BRCA fees as set out in Schedule 1, the first payment due on the date of this Agreement.
   2. The Client agrees (and BRCA will implement accordingly) that the annual fees chargeable and set out in Schedule 2, will be settled from within the issuance of the Client Bonds and netted from any income received from the SPV. In the absence of sufficient income, the fees will be reserved for as part of the Client Bond Programme.
   3. BRCA and the Client will be entitled to additional fees which will be specified in the terms of the Client Bonds. These fees will be deducted out of the Client Bond Proceeds. The amount and frequency of these fees will be agreed by BRCA and the Client from time to time.
   4. BRCA will have no liability whatsoever to the client if any third party rejects the due diligence and the Client will pay a due diligence rectification fee at a day rate of £1,250 per business day for any rectification or additional work which arises as a result of the due diligence process. BRCA will provide a cost estimate to the Client in advance of any such additional work (the “Additional Work Cost Estimate”). The Client agrees to pay to BRCA an amount equal to 50% of the Additional Work Cost Estimate within five working days of receipt of such Additional Work Cost Estimate.
   5. The Client will hold harmless and indemnify BRCA against any claim, demand, action, liability, damages, loss or reasonable external cost or expense (including, without limitation, external legal fees and any applicable value added tax) which it incurs otherwise than by reason of BRCA’s own gross negligence or wilful default or fraud, as a result or arising out of or in relation to its acting as the sponsor in relation to the Client Bonds which will include any delay which may occur as a result of the Client’s failure to perform its obligations under clause 3.3 as required.
   6. BRCA will have no liability whatsoever to the Client if there is a delay or if it is unable to establish the Client Bond Programme by the Expected Launch Date. In particular, BRCA will not be liable for any matters outside its reasonable control including any delays caused by any third party including, but not by way of limitation, any issuing and paying agent, custodian, bank, registrar, regulatory authority or clearing system or due to any unforeseen regulatory changes or developments.
   7. BRCA will endeavour to procure that the Expected Launch Date is agreed with all third parties who are required to ensure the proper functioning of the Client Bond Programme. The Client agrees to pay to BRCA an additional fee of £25,000 (the “**Reset Fee**”) if there is any delay in the Expected Launch Date caused as a direct result of the Client’s actions or inaction, or within 2 months of the Expected Launch Date of the Client Bond Programme, the agreed Nominal Initial Capital is not raised and this results in a further delay of the Actual Launch Date of the Client Bond Programme.
   8. In the event that the Client Bond Programme is not launched by the Expected Launch Date and such delay has been caused by the Client’s actions or inaction, the Client agrees that work performed by BRCA under this Agreement will be charged to the Client in addition to the Reset Fee and to the fees set out in Schedule 1. This additional work is to be notified to the Client in advance and will be charged to the Client at a day rate of £1,250 per business day. BRCA will provide a cost estimate to the Client in advance of any such additional work (the “Additional Work Cost Estimate”). The Client agrees to pay to BRCA an amount equal to 50% of the Additional Work Cost Estimate within five working days of receipt of such Additional Work Cost Estimate.
   9. BRCA will indemnify the Client against any duly documented claim, action, proceeding, loss or reasonable cost which has been brought against, suffered or incurred by the Client by reason of BRCA’s material breach of this Agreement arising solely as a result of BRCA’s gross negligence or wilful misconduct except to the extent that such claim, action, proceeding, loss or cost arises (in whole or in part) from any negligence, misconduct, bad faith, fraud or default of the Client, its directors, officers, employees, agents or other representatives.
   10. The terms set out in this clause 8 will survive the termination of this Agreement.
2. **CONFIDENTIALITY**
   1. In this Agreement, “**Confidential Information**” means any and all information, documentation, data drawings, specifications, trade secrets, client details (both current and future), training, educational materials and any other proprietary information supplied to BRCA by the Client, or by BRCA to the Client, including all items defined as "confidential information" in any other agreement between the Client and BRCA whether executed prior to or after the date of this Agreement. Confidential Information will not include information which:
      1. is or becomes generally available to the public other than as a result of its disclosure by the recipient or its representatives in breach of this Agreement or of any other undertaking of confidentiality addressed to the party to whom the information relates (except that any compilation of otherwise public information in a form not publicly known will nevertheless be treated as Confidential Information);
      2. was, is or becomes available to the recipient on a non-confidential basis from a person who, to the recipient's knowledge, is not bound by a confidentiality agreement with the disclosing party or otherwise prohibited from disclosing the information to the recipient;
      3. was lawfully in the possession of the recipient before the information was disclosed to it by the disclosing party;
      4. the parties agree in writing is not confidential or may be disclosed;
      5. is developed by or for the recipient independently of the information disclosed by the disclosing party; or
      6. is required to be disclosed by order of a court, other governmental entity or applicable regulatory body.
   2. Each party acknowledges that the Confidential Information constitutes valuable trade secrets and each party agrees that it will use the Confidential Information of the other party solely in accordance with the provisions of this Agreement and will not disclose, or permit to be disclosed, the same, directly or indirectly, to any third party without the other party's prior written consent. Each party agrees to exercise due care in protecting the Confidential Information from unauthorized use and disclosure.
   3. The parties agree that damages would not be an adequate remedy in respect of any breach of clause 8.2 and in addition to all other remedies that either party may be entitled to as a matter of law each party will be entitled to injunctive relief and any other form of equitable relief available in order to enforce the provisions of this clause 8.
3. **PERIOD OF AGREEMENT AND VARIATION**
   1. This Agreement will become effective on the date of this Agreement and will remain in force as long as the Client Bonds are in force and for a further period of 12 months after final redemption of the Client Bonds.
   2. No purported variation of this Agreement will be effective unless it is in writing and signed by or on behalf of each of the parties.
4. **TERMINATION**
   1. Without affecting any other right or remedy available to it, either party (in each case, the “**notifying party**”) may terminate this Agreement with immediate effect by giving written notice to the other party if:
      1. the other party commits a material breach of any term of this Agreement which breach is irremediable or (if such breach is capable of remedy) fails to remedy that breach within a period of seven days after being notified in writing to do so;
      2. the other should be dissolved (except a voluntary dissolution for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party) or be unable to pay its debts or commit any act of bankruptcy or if a receiver or administrator is appointed over any of its assets; or
      3. at any time on or after the date of this Agreement, circumstances arise pursuant to which the implementation of the Agreement is likely to give rise to adverse tax consequences or regulatory consequences for either of the parties or place any party hereto in breach of applicable laws or regulations.
   2. On termination of this Agreement, BRCA will be entitled to receive fees and monies (if any) accrued up to and including the date of such termination (“**Sums Due**”) but will not be entitled to compensation in respect of such termination, however occasioned. It is acknowledged by the parties that payment of Sums Due will be in full and final settlement thereof and no Sums Due will be payable in respect of a termination under clause 11.1.1 or clause 11.1.2.
   3. Termination of the appointment of BRCA by the client shall be without prejudice to the completion of any transactions already initiated by BRCA and shall not affect the rights and obligations of the parties which came into existence prior to the termination of this Agreement which will remain in full force and effect until discharged. Such transactions undertaken by BRCA shall be completed by BRCA, notwithstanding termination of this Agreement, in accordance with the relevant terms and conditions applicable.
5. **SET-OFF**
   1. The Client shall not be entitled to set-off any amount due from the Client against any amount due or claimed to be due from BRCA unless such set-off is agreed in writing as between the parties or judicially determined.
6. **ENTIRE AGREEMENT**
   1. This Agreement and all documents referred to herein shall constitute the entire agreement between the parties and supersede and extinguish all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
   2. Each party acknowledges that in entering into this Agreement it does not rely on, and will have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.
   3. The terms set out in this Agreement do not constitute an offer to finance or arrange finance for the client. The provision of the Client Bonds is subject to due diligence, legal approval, satisfactory documentation and the specific terms and conditions of any investment.
7. **INVALIDITY**

If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision will be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause 13 shall not affect the validity and enforceability of the rest of this Agreement.

1. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No term of this Agreement (whether express or implied) is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 or otherwise by any person who is not a party to it.

1. **ASSIGNMENT**

This Agreement shall be binding on and endure for the benefit of the successors in title of the parties but shall not be assignable by any party without the prior written consent of the other.

1. **COUNTERPARTS**
   1. This Agreement may be executed in any number of counterparts and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart.
   2. Each counterpart, when executed, shall be an original of this Agreement and all counterparts shall together constitute one instrument.
2. **GOVERNING LAW AND JURISDICTION**
   1. This Agreement and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English law.
   2. The parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this Agreement, its subject matter or formation.

All parties hereby represent and warrant that they have the authority to enter into this Agreement and that, by entering into this Agreement, they are not in conflict with any other agreement to which they may be a party.

**For and on behalf of For and on behalf of**

**the Client BRCA**

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Print Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Schedule 1**

**Payment Schedule for Fees**

1. Initial fees
   1. For the first issuance the Client will pay to BRCA:
      1. £14,500 on the date of this Agreement which includes the costs of incorporating the Issuer plc; and
      2. £20,000 on the Expected Launch Date which is expected to be paid out of the closing of the first Client Bond.
2. On the application for listing the Client Bonds on the Relevant Stock Exchange the Client will pay to BRCA an amount equal to the listing fees based on the chosen exchange plus 10% of such an amount (the “**Listing Fee**”).
3. Any additional costs payable on behalf of the Issuer related to the Issuing and Paying Agent and Common Depositary functions to be performed by the depositary bank will be notified in advance and payable upon receipt of invoice by the Client.
4. Every subsequent issuance:
   1. For an additional contribution to an existing offer (a fungible tranche) after 31/12/2016 which does not change the offer date or the maturity date and would not be at par value as it would reflect some element of accrual for the next coupon, the Client will pay to BRCA £15,000 on the date of the listing of the new bonds for such subsequent issuance.
   2. For a new offering, with a new maturity date, at par, a new ISIN code, but using the same underlying asset agreement so that no additional legal opinion is needed on the structure or the nature of the documentation around the use of the Client Bond Proceeds, the Client will pay to BRCA £25,000 on the date of the listing of the new bonds for such new offering.
   3. For two versions at the same time of a particular offering, e.g., a US$ and GBP offering at the same time, the second would be £15,000.
   4. If any additional legal work specific to the transaction is required, this will be notified in advance and will be charged at cost + 10% (+VAT if applicable).
   5. If an additional Listing is required, the Listing Fee would apply in addition to the relevant fee above.
5. **Travelling Expenses and Disbursements**

5.1 The Client shall reimburse BRCA for all travel, hotel and incidental expenses required as part of BRCA’s due diligence, provided that any such costs to be incurred by BRCA in excess of £500 shall be approved by the Client (such approval not to be unreasonably withheld or delayed) prior to being incurred.

1. The above fees are exclusive of VAT which will be payable by the Client, if applicable.

**Schedule 2**

**Product Features**

1. The charge per annum will be 0.75% per annum (the “**Charge**”) subject to a minimum of GBP60,000 per annum per bond. The Charge covers all regular, operational costs for the Client Bonds including annual listing fees and regulatory reporting. Audit costs are charged separately owing to the potentially diversified nature of the underlying investments.
2. The Annual Charge will be built into the financial model for each bond offering and will be paid out of the gross proceeds of the underlying yields of the Client Bonds assets.
3. Transaction costs, including dealing costs, are charged to the Client Bonds or client’s dealing account as per quoted market prices prevailing at the time of the transaction.

**Schedule 3**

**Summary of the Offer**

|  |  |
| --- | --- |
| Sponsor | [OPEN] |
| Status | Senior Secured |
| Legal Jurisdiction | English Law |
| Legal Adviser as to English Law | GRM Law |
| Listed | Yes |
| Term | Fixed |
| Minimum Subscription | GBP5,000 |
| Issue Price | 100.00 |
| ISIN | Yes |
| Issue Date | [TBD] |
| Offer | Wholesale |
| Auditor | KP Audit |
| Servicer | BRCA |
| Backup Servicer | GRM Capital Services Limited |
| Calculation Agent | BRCA |
| Clearing/Settlement | CREST/EUROCLEAR/CLEARSTREAM |
| Security Trustee | GRM Law Trustees Limited |
| Arranger | BRCA |
| Listing Agent | Not required for Ireland or London. |
| Market Maker | May be required for certain segments of the Main Market. [TBC] |

**Schedule 4**

**Payment Details**

**Please remit to the following:**

BEDFORD ROW CAPITAL ADVISERS LTD

Sort Code: 23-05-80

Account Number: 19278409

IBAN: GB80MYMB23058019278409

Amount: £14,500

Reference: O2I2