

DATED 24th November 2016

Between

FUTURE RENEWABLES ECO PLC

and

TALBOT CAPITAL LIMITED

SECURITY TRUSTEE AGREEMENT

THIS AGREEMENT is dated the 24th day of November 2016.

PARTIES

- (1) **Future Renewables Eco Plc** a company incorporated in Scotland with company number SC505596 whose registered office is at 29 York Place, Edinburgh, Midlothian. Scotland. EH1 3HP (**Issuer**); and
- (2) **TALBOT CAPITAL LIMITED** a company incorporated in England and Wales with company number 06736536 whose registered office is at Becket House, 36 Old Jewry, London. EC2R 8DD (the "**Security Trustee**").

RECITALS

- (A) The Issuer intends to issue Senior Secured Bonds (**FRE plc Bonds**) constituted by a registered certificate (**Certificate**) and as more particularly described in a Prospectus detailing the Issuance of secured mini bonds issued by the Issuer on or about the date of this Agreement (**Prospectus**).
- (B) The obligations of the Issuer under the FRE plc Bonds will be secured by relevant security documents provided under English and Scottish law as security on certain assets acquired by the Issuer (and as specified therein the relevant security documents) in the name of all of the secured Bondholders on the Bondholder register.
- (C) The Security Trustee has agreed to act as trustee for the Bondholders to take the benefit of the security described in Recital (B).
- (D) Unless defined otherwise in this Agreement, or the context requires otherwise, all words of expressions defined in the Prospectus have the same meaning in this Agreement.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The definitions and rules of interpretation in this clause apply in this agreement:

Bondholder: each person who becomes party to an FRE plc Bond as the Bondholder of the same;

Business Day: a day (other than a Saturday or a Sunday) on which commercial banks are open for general business in England and Wales;

Certificate: has the meaning given in Recital (A);

FRE plc Bond: has the meaning given in Recital (A);

Secured Obligations: has the meaning given to it in the relevant security document;

Security means the security specified in the relevant Security Agreement; and

Security Agreements means the security documents specified in Recital (B).

1.2 Interpretation

In this agreement:

- (i) clause and paragraph headings shall not affect the interpretation of this agreement;
- (ii) a reference to a person shall include a reference to an individual, firm, company, corporation, unincorporated body of persons, or any state or any agency of any person;
- (iii) a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force for the time being, taking account of any amendment or re-enactment or extension and includes any former statute, statutory provision or subordinate legislation which it amends or re-enacts;
- (iv) a reference to writing or written includes e-mail;
- (v) a reference to this agreement (or any provision of it) or any other document shall be construed as a reference to this agreement, that provision or that document as it is in force for the time being and as amended, varied or supplemented in accordance with its terms or the agreement of the relevant parties;
- (vi) a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- (vii) a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (viii) references to clauses are to the clauses of this Agreement;
- (ix) a reference to a certified copy of a document means a copy certified to be a true, complete and up-to-date copy of the original document, in writing and signed by a director or the secretary of the party delivering the document; and
- (x) a reference to continuing in relation to an Default means a Default which has not been remedied or waived.

1.3 **Modification to Dates**

Any reference to a date on which interest is to be calculated or a payment to be made hereunder shall be deemed, in the event that day is not a Business Day, to be a reference to the immediately preceding Business Day.

2. **TRUSTEE'S OBLIGATIONS**

- 2.1 The Security Trustee agrees that it shall act as trustee for the Bondholders as envisaged by the obligations of the Issuer under the relevant security document and/or of the Prospectus and shall take the benefit of the Security on trust for the benefit of the Bondholders. The Security Trustee shall have no obligation to improve the Security or to identify any alternative to the Security for the benefit of the Bondholders.
- 2.2 The Security Trustee shall execute or provide any documentation as may be required to effect or to perfect the Security and deliver any notice required for the same purpose.
- 2.3 The Security Trustee shall not release any Security unless or until it has reasonably satisfied itself that no further Secured Obligations are outstanding and the Issuer shall, upon being requested to do so by the Security Trustee, provide to the Security Trustee such evidence of the release of the

Secured obligations, whether in whole or in part, as the Security Trustee may reasonably require.

3. FEES

In consideration for the Security Trustee acting on behalf of the Bondholders, the Issuer shall pay to the Security Trustee:

- (i) an initial fee of £8,000.00 (eight thousand pounds only) plus VAT payable upon entry into this Agreement, to include pre-agreed legal fees incurred by the security trustee in drafting this agreement;
- (ii) an administration fee of £8,000.00 (eight thousand pounds only) plus VAT payable on each anniversary of the date of this Agreement until the termination of this agreement in accordance with Clause 9; and
- (iii) any reasonable third party costs incurred by the Security Trustee directly in the performance of this agreement provided such costs are pre-agreed with the Issuer.

4. DUTIES OF THE ISSUER

- 4.1 The Issuer shall notify the Security Trustee, or procure such notification, of the identity of every Bondholder from time to time (whether by making available a copy of any note register prepared by it or otherwise).
- 4.2 The Issuer shall create the Security in favour of the Security Trustee and procure that the Security constitute and remains a first ranking security interest over the relevant assets and, in any event, satisfies the requirements of the Prospectus.
- 4.3 The Issuer shall provide to the Security Trustee such funds as may be reasonably required to preserve the Security at all times in accordance with the terms of the Security Agreements.
- 4.4 The Issuer shall keep a register containing the following details:
 - 4.1 the name(s) and address(es) of each Bondholder for the time being;
 - 4.2 the service address of each Bondholder;
 - 4.3 the principal amount of the FRE plc Bond(s) held by each Bondholder;
 - 4.4 the Date of Registration; and
 - 4.5 the date of issue of each FRE plc Bond.
- 4.5 The Issuer shall make available to the Security Trustee, within five Business Days upon demand, the details logged in the register in accordance with clause 4.4.

5. ENFORCEMENT OF SECURITY

- 5.1 The Security Trustee shall have no obligation to enforce any of the Security unless the Bondholders have provided the Security Trustee with either an indemnity or cleared funds on terms reasonably satisfactory to it from which to meet any costs (including its reasonable expenses, costs of professional advice and any other reasonable costs) incurred, to be incurred or reasonably likely to be incurred in pursuit of that enforcement.

- 5.2 The obligation of the Security Trustee to enforce any Security shall be subject at all times to it having received such legal and other professional advice as it may require in respect of the same and it shall not be deemed to be in breach of any obligation to enforce the Security if advised to the contrary or if it proceeds to do so with reasonable diligence and in good time.
- 5.3 Subject to Clauses 5.1 and 5.2, the Security Trustee shall, upon being notified that a Declared Default (as defined in the relevant Security Agreement) has occurred and the quantum of any amount payable as a result, take such steps as may be necessary or practicable to enforce the Security and to realise the proceeds of so doing.
- 5.4 The Security Trustee may enforce the Security for its own benefit, without the requirement that any Bondholders consent to the same, upon any obligation owed to it by the Issuer not being discharged when due.

6. PROCEEDS OF ENFORCEMENT

- 6.1 Subject to Clause 6.2, the proceeds of the enforcement of any Security shall be applied in accordance with the terms of the relevant Security Agreement.
- 6.2 If any applicable law invokes any principle of marshaling or reduction of claims made in respect of the Security the Security Trustee shall, in so far as it is permitted by any applicable law, apply the proceeds of claims in such a manner as to preserve the Secured Obligations in so far as it is able to do so and to give effect to the priority of payments imposed by the terms of the relevant Security Agreement.

7. LIABILITY AND INDEMNITY

- 7.1 The Security Trustee shall not be liable for any loss or damage suffered by the Issuer or any Bondholder or otherwise arising directly or indirectly as a result of or in the course of the discharge by the Security Trustee of its duties to the Bondholders hereunder or in connection with the subject matter of this Agreement, unless such loss or damage is directly attributable to a breach of this Agreement or the gross negligence, fraud or wilful default of the Security Trustee.
- 7.2 The Security Trustee shall not be liable for any loss or damage which the Issuer may suffer if the Security Trustee has acted in good faith or upon any instruction or communication (including, without limitation, electronic mail or pricing information received) reasonably believed by the Security Trustee to be genuine or failing to act in respect of the same where the Security Trustee does not believe that to be the case otherwise than as a result of some act directly attributable to gross negligence, fraud or wilful default on the part of the Security Trustee.
- 7.3 The Security Trustee shall not be liable for any failure to fulfil its duties to any Bondholder or to the Issuer if such failure shall be caused by, or due to, war damage, enemy action, the act of any government or other competent authority, riot, civil commotion, rebellion, storm, tempest, accident, fire, strike, lock-out or other cause whether similar or not that is reasonably beyond the control of the Security Trustee.
- 7.4 The Issuer shall indemnify and hold harmless and keep the Security Trustee indemnified against all actions, proceedings, claims and demands (including reasonable costs and expenses incidental thereto) which may be made against, suffered or incurred by the Security Trustee in respect of any loss or damage suffered or alleged to have been suffered in connection with the performance by the Security Trustee of its duties under this Agreement otherwise than as a result of a breach of this Agreement, or some act of gross negligence, fraud, or wilful default on the part of the Security Trustee.
- 7.5 For the avoidance of any doubt it is hereby agreed and declared that reference to the Security Trustee in this clause shall be deemed to include references to the officers, servants, agents and delegates of the Security Trustee.

7.6 The indemnity given to the Security Trustee in this Agreement shall survive termination of this Agreement.

8. EXCLUSIVITY

8.1 The services to be provided by the Security Trustee to the Bondholders under this Agreement are not deemed exclusive and the Security Trustee shall be free to render similar services to others so long as its services under this Agreement are not impaired thereby, and to retain for its own use and benefit, fees or other monies payable thereby, and the Security Trustee shall not be deemed to be affected with notice of or to be under any duty to disclose to the Issuer, any fact or thing which may come to the notice of the Security Trustee in the course of it providing similar services to others, or in the course of its business in any other capacity, or in any manner whatsoever otherwise than in the course of carrying out its duties under this Agreement.

8.2 Without prejudice to the generality of Clause 8.1, it is acknowledged that the Security Trustee may hold security in the same asset for a number of persons and for the purpose of securing different indebtedness and the Security Trustee shall not be impeded in discharging its obligations to such persons by virtue of it being party to this agreement, acting as a trustee or otherwise and any conflict thereby arising is hereby waived and the issuer undertakes not to take any action against the Security Trustee contrary to this waiver or to enforce the same and undertakes to indemnify the Security Trustee against any award of judgement debt made to as a result of a contravention of this clause.

9. TERMINATION

9.1 This Agreement shall terminate upon the discharge of the Security but otherwise may be terminated by either party upon giving not less than ninety (90) days' notice in writing to the other, provided that such termination shall be postponed, if termination occurs before the repayment of the FRE plc Bonds and all monies due thereunder in full, until the earlier to occur of the appointment of a replacement for the Security Trustee and repayment of the FRE plc Bonds and all monies due thereunder in full, and the Issuer shall continue to pay fees to the Security Trustee under Clause 3 for any such period.

9.2 The Security Trustee may terminate this Agreement before being notified of the occurrence of an Event of Default in accordance with Clause 5:

(a) if at any time by notice to the Issuer if the Issuer commits any breach of its obligations under this Agreement and (if capable of remedy) shall fail within thirty days of receipt of notice served by the Security Trustee requiring it so to do, to make good such breach; and

(b) if any statutory, regulatory or other enactment in Guernsey or any jurisdiction in which the Issuer conducts its business renders the business and/or activities of the Issuer or the appointment of the Security trustee or discharge of its obligations hereunder unlawful.

9.3 The Issuer may terminate this Agreement at any time by notice in writing to the Security Trustee if the Security Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Issuer), or if its affairs are declared "en desastre", or commit any other act of bankruptcy under the laws of England and Wales, or if a receiver is appointed of any of the assets of the Security Trustee; or

9.4 Upon termination of this Agreement (a) the Security Trustee shall (i) cooperate with the Issuer to effect the transfer of the security to any third party which has agreed to undertake the role of the Security Trustee after that termination (**Replacement Security Trustee**) or to the Bondholders; (ii) until that transfer is effected shall continue to hold the Security on trust for the Bondholders and will not cause that Security to be released or otherwise discharged; and (iii) deliver to the Replacement Security Trustee all documentation required to be so delivered; and (b) the Issuer shall indemnify the Security Trustee against the reasonable costs of the same.

10. DISCLOSURES

Neither of the parties shall, during the continuance of this Agreement or after its termination, disclose to any person (except with the authority of the relevant party or parties) unless required to do so by law or if ordered to do so by a Court of competent jurisdiction) any information relating to the business, assets, finances or other matters of a confidential nature of any of the other parties of which it may in the course of its duties hereunder or otherwise become possessed, and each party shall use all reasonable endeavours to prevent any such disclosure as aforesaid.

11. NOTICES

11.1 Any notice, demand or other document to be given or made pursuant to this Agreement to the Issuer or the Security Trustee (as the case may be) shall be given or made when:

- (a) personally delivered to it; or
- (b) posted by prepaid first class post to it at its registered office; or
- (c) sent by email to an email address identified for that purpose by the recipient.

11.2 Any notice, demand or other document to be given or made pursuant to the provisions of clause 11.1 shall be deemed to have been received:

- (a) immediately upon delivery; or
- (b) 48 hours after posting if to an address in the United Kingdom; or
- (c) immediately upon despatch if sent by email subject to no error notice being received in response.

11.3 In proving service it shall be sufficient to prove:

- (a) in the case of personal service, that it was handed to the party or delivered to or left in an appropriate place for receipt of letters at its address;
- (b) in the case of a letter sent by post, that the letter was properly addressed, stamped and posted or sent by recorded delivery,

provided that any notice, demand or other document given under the terms of clause 11.1 but not received on a Business Day in the place of receipt shall be deemed to have been given on the next Business Day in that place.

11.4 Any notice, demand or other document to be given to a party shall only be effective on actual receipt by the relevant party, by or on behalf of the person whose details are set out in clause 11.5 in relation to that party (or as otherwise notified, from time to time, to the other party by that party).

11.5 The addresses for service of any notice, demand or other document to be sent pursuant to the provisions of clause 11.1 are (subject to any amendment by written notice to the relevant party in accordance with the terms of this clause) as follows:

The Issuer:

Address: 29 York Place, Edinburgh, Midlothian. Scotland. EH1 3HP

Contact: Mr Brian Duffy.

The Security Trustee:

Address: 4th Floor, Upper Mezzanine, Becket House, 36 Old Jewry, London. EC2R 8DD.

Contact: Mr Gregory Pritchard.

12. INVALIDITY

The invalidity or enforceability of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder.

13. ASSIGNMENT

Neither party may assign or otherwise transfer its rights or obligations under this Agreement to any other person. The Security Trustee may not delegate its obligations under this Agreement without the prior written consent of the Issuer.

14. BENEFIT OF THIS AGREEMENT

This agreement is being entered into for the benefit of both the Issuer and of the Bondholder, any of which may enforce the obligations owed to them hereunder from time to time.

15. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of England and Wales, and the parties submit to the non-exclusive jurisdiction of the Courts of England and Wales.

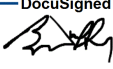
16. LIMITED RECOURSE

Notwithstanding any other provision of the FRE plc Bond and the Security Agreements, it is expressly agreed and understood that:

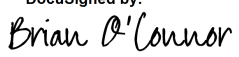
- (a) the sole recourse of the Security Trustee to the Issuer under this Agreement is to the Chargor's interests in the Charged Assets as defined in the Security Agreements; and
- (b) the liability of the Chargor to the Security Trustee pursuant to or otherwise in connection with the FRE plc Bond and the Security Agreements shall be:
 - (i) limited in aggregate to an amount equal to that recovered as a result of the enforcement of this agreement with respect to the Charged Assets; and
 - (ii) satisfied only from the proceeds of sale or other disposal or realisation of the Charged Assets pursuant to the Security Agreements.

IN WITNESS WHEREOF the parties have executed this Agreement the day and year first above written.

EXECUTED for and on behalf of
FUTURE RENEWABLES ECO PLC
acting by Brian Duffy in the presence of:

DocuSigned by:

444264D231AA43E.....

Director

DocuSigned by:

75333118457542D.....

Name: Brian O'Connor

Occupation: Bond Manager

Address: Future Renewables Eco plc 5A York Place, Edinburgh, EH1 3EB

EXECUTED for and on behalf of
TALBOT CAPITAL LIMITED
acting by Kaine Price in the presence of:

DocuSigned by:

3C47E360E68D423.....

Director

DocuSigned by:

2244B5A045094F6.....

Name: Gregory Pritchard

Occupation: Senior Partner – Talbot Capital

Address: Becket House, 36 Old Jewry, London

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