Cession of Priority of Rank Agreement

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This Cession of Priority of Rank Agreement (the “Agreement”) is effective [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "Creditor"), a company organised and existing under the laws of the [STATE/PROVINCE] of [COUNTRY], with its head office located at:

 [YOUR COMPLETE ADDRESS]

**AND: [COMPANY NAME]** (the "Debtor"), a company organised and existing under the laws of the [STATE/PROVINCE] of [COUNTRY], with its head office located at:

 [COMPLETE ADDRESS]

WHEREAS [YOUR COMPANY NAME] is or will be the creditors of [COMPANY NAME] (the “Debtor”);

WHEREAS the Debtor has granted to the Bank a hypothec on movables (the “Bank Security”), dated [DATE], which hypothec is to be registered forthwith at the [SPECIFY COUNTRY REGISTER] of the [STATE/PROVINCE] of [STATE/PROVINCE] (the “Register”) and charges all of the present and future Claims, Property in Stock, Intellectual Property and rights, title and interest to any investment tax credits of the Debtor (collectively, the “Property”) (as each such capitalised expression is defined in the Bank Security);

WHEREAS the Debtor has granted to the Creditor a movable hypothec on the universality of all its equipment assets, registered at the Register on [DATE] under number [NUMBER] (hereinafter referred to as the [SPECIFY]); and

WHEREAS the Creditor has agreed, subject to the provisions hereof, to grant priority of rank and subordinate its rights under the Creditor Security with respect to the Property only to and in favour of the Bank Security so that the hypothecs and other rights created under the Bank Security will have preference and priority over the hypothecs created in favour of the Creditor under the terms of the Creditor Security with respect to the Property only.

THEREFORE, THE PARTIES HAVE AGREED AS FOLLOWS:

1. The preamble will form an integral part hereof.
2. The Creditor hereby cedes and grants priority over the [SPECIFY], with respect to the Property only, to and in favour of the Bank so that the Bank Security will be deemed, for all legal purposes, to have been executed and registered at the Register before the execution and registration of the [SPECIFY].
3. Without restricting the generality of the cession of priority of rank hereinabove set forth in paragraph 2 above, the Creditor hereby consents and agrees that the hypothecs, the other charges and all of the rights and recourses stipulated in favour of the Bank under the Bank Security will have priority over the hypothecs and all other rights and recourses stipulated in favour of the Creditor under the [SPECIFY] but only to the extent of the hypothecs and all other rights and recourses the Creditor has or may have *in re*spect to the Property only.
4. The Creditor hereby declares that it does not hold any other security *in re*spect to the Property other than the [SPECIFY].
5. The Creditor hereby agrees and consents to execute any and all documents necessary to register said cession of priority of rank in conformity with the [SPECIFY COUNTRY ACT/LAW/CODE] of [STATE/PROVINCE].
6. The Creditor hereby agrees to exercise any and all of its hypothecary rights in order to give full effect to this Agreement and hereby renounces to any recourses or procedures that would have the effect of invalidating the order of collocation provided for in this Agreement.
7. This Agreement may be executed in several counterparts, each of which will be deemed to be an original and all of which together will constitute one and the same Agreement.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

CREDITOR DEBTOR

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title

# SCHEDULE A

1. The [SPECIFY] agrees with the Bank that the payment of all debts, present and future (the “Debts”) of the Debtor toward the [SPECIFY] be deferred and postponed to the prior payment, under all circumstances, of all debts, present and future, of the Debtor toward the Bank (the “Obligations”).

2. Furthermore, until all Obligations have been fully paid and for so long as the Bank will maintain any credit available to the Debtor, whether it is utilised or not, no payment of the Debts will be made to the [SPECIFY]. Notwithstanding, if a payment is made on the Debts, it will be received by the [SPECIFY] for the benefit of the Bank to whom it will be remitted forthwith upon receipt, but no such payment will have the effect of reducing the Obligations until it is actually received by the Bank; if no Obligations are then outstanding, the Bank may either remit the funds to the [SPECIFY] or keep them for imputation to future obligations.

3. The [SPECIFY] will refrain from (i) encumbering or having encumbered any of the Debts with any charge whatsoever and (ii) assigning it to whomever.

4. The [SPECIFY] agrees to execute any documents and do any act that the Bank may reasonably require to give effect or confirm the foregoing.

5. This Agreement will extend to the successors and assigns of the Bank, by way of merger or otherwise, who may avail themselves of it in the same manner as the Bank.

6. The [SPECIFY] acknowledges receipt of a copy of this Agreement.

7. This Agreement will be governed by and construed in accordance with the [YOUR COUNTRY LAW] enforced in the Province of [STATE/PROVINCE].