DEBENTURE PLEDGE AGREEMENT

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This Debenture Pledge Agreement (the “Agreement”) takes effect on [DATE],

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

 [YOUR COMPLETE ADDRESS]

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

 [COMPLETE ADDRESS]

**FOR GOOD AND VALUABLE CONSIDERATION**, the sufficiency and receipt whereof are hereby acknowledged, the parties hereto have agreed as follows:

1. [YOUR COMPANY NAME] pledges to the Lender the debenture listed in Schedule A hereto (hereinafter referred to as the “Debenture”) to be held by the Lender, together with all renewals thereof, substitutions therefore, accretions thereto, and all income therefrom, as general and continuing collateral security and as a pledge for the payment or fulfilment of all of the indebtedness, obligations and liabilities of any kind whatever, present and future, direct or indirect, absolute or contingent, of [YOUR COMPANY NAME] to the Lender (hereinafter collectively referred to as the “Obligations”).

2. In the event [YOUR COMPANY NAME] fails to fulfil any of the Obligations (each of the aforementioned being separately hereinafter called an “Event of Default”), the Lender may enforce payment and realise upon the security of his Debenture, and with respect to the Debenture the Lender may exercise, or cause to be exercised on behalf of the Lender, all the rights and remedies of a debenture holder under that certain trust deed of hypothec, mortgage and pledge bearing formal date of [DATE] executed by [YOUR COMPANY NAME] in favour of [NAME] (the “Trust Deed”), without any control by Company as though the Lender was the absolute owner of the Debenture.

3. All income from the Debenture and the realisation of the Debenture, after deduction of all expenses thereof, with interest on such expenses computed at the rate of [%] per annum may be held as security as aforesaid by the Lender and when the Lender deems it desirable so to do, from time to time, may be applied against any of the Obligations as the Lender deems best.

4. Whether or not an Event of Default shall exist under this Pledge Agreement, the Lender shall be considered the owner of the Debenture as regards the Trustee under the Trust Deed for all purposes of the Trust Deed. The Lender is hereby authorised to exercise all rights, remedies, powers, privileges, guarantees and recourses available to a debenture holder under the Trust Deed.

5. The Lender shall not be bound to realise the Debenture or to permit the alienation of same and shall not be responsible for any loss resulting from the sale of the Debenture, the retention thereof or refusal to sell, dispose of or realise upon the same; the Lender shall not be required to collect or receive the interest thereon or to demand payment thereof.

6. The Lender may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give up the same on the Debenture, may abstain from taking securities from or from perfecting securities already received, may accept compositions from, and may otherwise deal with [YOUR COMPANY NAME] and all other persons and securities (including the Debenture) as the Lender sees fit, without prejudice to the right of the Lender to hold, deal with or realise on the Debenture in any manner which the Lender considers desirable.

7. Under no circumstances may the Lender, on realising upon the Debenture, collect or claim a right to collect an amount in excess of the total of all sums of principal, interest and costs then due to the Lender by reason of or arising out of the Obligations and all other sums and/or expenses incurred by or otherwise due to the Lender and for which [YOUR COMPANY NAME] is liable for any reason or under any agreement entered into in connection with the Obligations.

8. At the request of the Lender, [YOUR COMPANY NAME] shall execute, at [YOUR COMPANY NAME]’s expense, every transfer and every document required to be executed to give full force to the undertakings of [YOUR COMPANY NAME] contained in the present Pledge Agreement or which might be useful to confer upon the Lender or any other person appointed by the Lender the ownership of the Debenture.

9. The present Pledge Agreement shall constitute a continuing agreement and shall have effect whenever and so often as any of the Obligations exist.

10. This Pledge Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

11. This Pledge Agreement and the interpretation and enforcement thereof shall be governed by and in accordance with the laws of the [State/Province] of [STATE/PROVINCE].

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

COMPANY LENDER

Authorized Signature Authorized Signature

Print Name and Title Print Name and Title

# SCHEDULE A

**DESCRIPTION OF THE DEBENTURES**

Debenture Certificate No.:

Series:

Amount:

Nature: