DEBENTURES AND TRUST DEED

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This Debentures and Trust Deed (the “Agreement”) takes effect on [DATE],

**BETWEEN: [FIRST PARTY]** (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: [SECOND PARTY]** (the “Trustee”), an individual with his/her main address located at:

 [COMPLETE ADDRESS]

BEFORE [SPECIFY INDIVIDUAL NAME] the undersigned Notary for the [STATE/PROVINCE], practising in the City of [SPECIFY], District of [SPECIFY].

WHICH [COMPANY NAME] DECLARED UNTO THE UNDERSIGNED NOTARY AS FOLLOWS:

WHEREAS the Company wishes to issue Series A, Series B, Series C and Series D Debentures which shall be constituted by the present Trust Deed of Hypothec, Mortgage and Pledge and secured in the manner hereinafter appearing; and

WHEREAS the Company is duly authorised to create and issue the Series A, Series B, Series C and Series D Debentures as hereinafter provided and to secure the Debentures by the present Trust Deed of Hypothec, Mortgage and Pledge; and

WHEREAS all things necessary have been done and performed to make the Series A, Series B, Series C and Series D Debentures, when certified by the Trustee and issued as in this Trust Deed provided, valid, binding and legal obligations of the Company and to constitute this Trust Deed as valid security for the payment of the principal of, and interest and premium, if any, on all Series A, Series B, Series C and Series D Debentures issued hereunder; and

WHEREAS the execution of this Trust Deed and the issue of Series A, Series B, Series C and Series D Debentures subject to the terms hereof have in all respects been duly authorized.

NOW, THEREFORE, THE PARTIES HERETO HAVE AGREED WITH EACH OTHER AND HAVE DECLARED UNTO THE UNDERSIGNED NOTARY AS FOLLOWS:

1. **INTERPRETATION**
	1. **Meaning of Words**

The following words and phrases, wherever used in this Trust Deed, in its preamble or in its schedules, or in any deed supplementary hereto, shall, unless there be something in the context inconsistent therewith, have the following meanings:

“Company” means the Party of the First Part and any successor company which shall have complied with the provisions hereof;

“Creditors” means [INDIVIDUAL NAME], [INDIVIDUAL NAME], [INDIVIDUAL NAME] and [INDIVIDUAL NAME] and any successors or assigns thereof;

“Debentures” means the Series A, Series B, Series C and Series D Debentures issued hereunder;

“Debenture holders’ Instrument” shall have the meaning set forth in Section 13.2 herein;

“Mortgaged Premises” or “Mortgaged Property” means and includes all the undertaking of the Company and all its present and future property, rights, interest, title, rights in property and assets (including, without limitation, any uncalled capital) now owned or hereafter acquired of whatever nature and kind and wheresoever situated, which is or may at any time be subject to the lien hereof or which may be intended to be subject to the lien hereof to secure payment of the moneys payable hereunder and under the Debentures;

“Trustee” means the Party of the Second Part or its successors in the trust hereby created;

“Trustee’s Indemnification” means sufficient funds, in the opinion of the Trustee, to commence, continue and carry out any act, action or proceeding and an indemnity satisfactory to the Trustee to protect and hold harmless the Trustee from and against all costs, charges, expenses and liabilities that it might incur as a result of any such act, action or proceeding and any loss and damage it may sustain by reason thereof.

* 1. **Governing Law**

This Deed and the Debentures and the interpretation and enforcement thereof shall be governed by and in accordance with the laws of the Province of [STATE/PROVINCE].

* 1. **No Deemed Reinvestment of Interest**

The principle of deemed reinvestment of interest shall not apply to the determination of an annual rate of interest or interest determination or computation under the terms of this Deed or the Debentures and all such determinations and computations shall be made on the basis of the nominal rates of interest provided herein or in the Debentures.

1. **FORM AND ISSUE OF DEBENTURES**
	1. **Limitation of Issue**

The Series A, Series B, Series C and Series D Debentures to be issued under and secured by this Deed are limited to an aggregate principal amount of [AMOUNT] in lawful money of [COUNTRY], and shall be designated [PERCENTAGE %] Demand Debentures.

* 1. **Form of Debentures**

The Debentures and the certificate of the Trustee shall be respectively substantially of the tenor and in the form set forth in the First Schedule of this Trust Deed, with such omissions, insertions and variations as are in this Trust Deed provided or permitted, shall be issued as fully registered Debentures without coupons, may be issued in any denominations and shall bear the respective dates given to them by the Company. The Debentures shall be payable on demand as set forth in Article [NUMBER] hereof and shall bear interest before and after default, payable on demand, from their date, at the rate of [PERCENTAGE] percent per annum, calculated half yearly and not in advance, with interest on all overdue interest calculated daily at the same rate from the due date until the date of payment.

* 1. **Payment in Legal Tender**

The principal of and interest on the Debentures shall be payable in lawful money of [COUNTRY] at par to the registered holder of the Debentures at the address in [COUNTRY] given to the Trustee from time to time by the Debenture holder.

* 1. **Signature of Debentures**

All Debentures issued hereunder shall be signed by any [NUMBER] director or officer of the Company acting alone.

* 1. **Type**

When any of the Debentures are to be issued hereunder, the Company shall, without unreasonable delay, cause to be prepared, executed and delivered to the Trustee definitive Debentures which may be typewritten or otherwise mechanically reproduced.

* 1. **Delivery**

All Debentures may from time to time after the execution of this Deed be issued by the Company and be certified by or on behalf of the Trustee and shall be delivered by the Trustee to or to the order of the Company, from time to time upon receipt by the Trustee of an order or orders in writing signed by any [NUMBER] director or officer of the Company acting alone.

* 1. **Certification**

No Debenture shall be issued, or if issued, shall be obligatory or shall entitle the holder to the benefit of the security of these presents or the benefit of the trusts hereunder until it has been certified by or on the behalf of the Trustee, and such certification by the Trustee upon any such Debentures shall be conclusive evidence that the Debentures so certified have been duly issued hereunder and that the holder thereof is entitled to the benefit of the security and trusts under these presents.

The certificate of the Trustee signed on the Debentures issued hereunder shall not be construed as a representation or warranty by the Trustee as to the validity or security of this Deed or of the said Debentures, and the Trustee shall in no respect be liable or answerable for the use made of said Debentures or any of them or the proceeds thereof.

* 1. **Consideration, Issue and Rank**

The Debentures may be issued for such price or consideration as shall be determined by the Directors or, at the discretion of the Directors, may be pledged, hypothecated or charged from time to time by the Company to provide security for the payment of present or future indebtedness or other obligations present or future of the Company provided, however, that any Debentures so pledged, hypothecated or charged shall not be deemed to be redeemed by reason of the account of the Company having ceased to be indebted while the Debentures remain so pledged, hypothecated or charged.

Each of the Debentures within each series of Debentures contemplated herein, as soon as it is issued and certified as herein provided shall, subject to the terms hereof, be equally and rateably secured hereby as if all the Debentures of such Series had been issued and certified simultaneously, provided however that each series of Debentures shall rank and be paid as set out in Section 9.4 hereof.

* 1. **Registration and Transfer**

The Company, at all times while any of the Debentures issued hereunder are outstanding, shall cause to be kept by the Trustee a register in which shall be entered the names and addresses of the holder or holders of Debentures. No transfer of a Debenture shall be valid unless made on such register by the registered holder or his executors or administrators or his or their attorney duly appointed by an instrument in writing, inform and execution satisfactory to the Trustee, and upon compliance with such reasonable requirements as the Trustee may prescribed. The ownership of the Debentures shall be proven by such register.

* 1. **Rights of Holders**

The registered holder of a Debenture shall be deemed and regarded as the owner thereof for all purposes of this Trust Deed, and shall be entitled to receive the principal moneys, premium, if any, and interest evidenced by such Debenture free from all equities or rights of set-off or counterclaim between the Company and his transferor or any previous holder thereof.

* 1. **Restriction on Issue**

No Debentures shall be issued hereunder to anyone other than the Creditors.

1. **CHARGING PROVISIONS**
	1. **Floating Charge**

In consideration of the premises and of [AMOUNT] Dollar to it in hand paid by the Trustee (the receipt whereof is hereby acknowledged) and in pursuance of every power and authority it thereunto enabling and for the purpose of securing the payment, in lawful money of [COUNTRY], of all principal of and interest (including interest on amounts in default) and premiums, if any, on the Debentures and the payment of all other sums, if any, from time to time due hereunder to the Debenture holders or to the Trustee or its successors, and the payment of all other moneys, if any, for the time being and from time to time owing on or charged or chargeable on the security hereof, and the performance by the Company of all its obligations hereunder, the Company does hereby hypothecate, mortgage, pledge and charge as and by way of a floating charge, to and in favour of the Trustee, and its successors in the trust, as trustee for the benefit of the Debenture holders, for and with the payment of the sum of [AMOUNT] in the lawful money of [COUNTRY] and interest thereon at the rate of [PERCENTAGE] % per annum calculated half yearly and not in advance, and for the same purposes does hereby cede and transfer to the Trustee, and its successors in the trust, as Trustee for the benefit of the Debenture holders, all the undertaking of the Company and all its property, rights, interests and assets (including uncalled capital, for the time being), both present and future, of whatsoever nature and kind and wheresoever situate. Provided that the floating charge and cession and transfer contained in this Section 3.1 shall in no way hinder or prevent the Company, at any time and from time to time, until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, but subject to the covenants contained in Article [NUMBER], from selling, alienating, leasing or otherwise disposing of or dealing with the property and assets included in such floating charge and cession and transfer in the ordinary course of its business and for the purpose of carrying on the same.

* 1. **Past, Present of Future Advances**

The hypothecs, mortgages, pledges and charges and cessions and transfers hereby made and created shall be and have effect whether or not the moneys thereby secured shall be received before or after or at the same time as, the issue of any of the Debentures intended to be thereby secured or any part thereof, or before or after, or upon the date of the execution of these presents.

* 1. **Company to Give Mortgage, Pledge and Charge and Cession and Transfer**

The Company shall forthwith, and from time to time, execute and do all deeds, documents and things which in the reasonable opinion of Counsel are necessary or advisable for giving the Trustee a valid floating charge of the nature herein specified upon the Mortgaged Premises, and a valid cession and transfer of the Mortgaged Premises, for and to secure the payment of all principal moneys and interest for the time being and from time to time owing on the security of these presents and the Debentures and all other moneys intended to be secured by these presents, and for conferring upon the Trustee such powers of sale and other powers over the Mortgaged Premises respectively as are hereby expressed to be conferred.

1. **POSSESSION, USE AND RELEASE OF THE MORTGAGES PREMISES**
	1. **Possession and Use of Mortgaged Property**

Until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same pursuant to the provisions of this Trust Deed, the Company shall, subject to the express terms hereof, be suffered and permitted to possess, develop, manage and operate the Mortgaged Premises to the same effect, except as provided herein, as if this Trust Deed had not been executed.

* 1. **Power Transferred to Trustee**

In the event that the Mortgaged Premises shall be in the possession of a receiver or manager or other similar officer, lawfully appointed, the powers herein conferred upon the Company with respect to the sale, transfer or disposition of the Mortgaged Premises may be exercised by such receiver, manager or other similar officer subject to the limitations imposed upon the Trustee in that regard under the provisions of Article [NUMBER] hereof; and if the Trustee shall be in possession of the Mortgages Premises under any provision of this Trust Deed, then such powers may be exercised by the Trustee in its discretion subject to the limitations imposed upon the Trustee in that regard under the provisions of Article [NUMBER] hereof.

* 1. **Release of Floating Charge**

Until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same pursuant to the provisions of this Trust Deed, if the Company shall sell or otherwise dispose of any of the Mortgaged Premises pursuant to the provisions of Section 3.1 and shall consider it desirable to evidence or confirm the release of such Mortgaged Premises from the charge hereof, the Trustee shall execute all such documents and do all such things as the Company may request, at the Company’s expense, to evidence or confirm the release of same from the charge hereof without any formality other than the request of the Company. In the event that the proposed alienation does not fall in the ordinary course of the Company’s business and is not for the purpose of carrying on the same, the Trustee shall not consent to the above noted release until such time as it shall have obtained a Debenture holders’ Instrument evidencing the consent of the Debenture holders to such release and upon the fulfilment of the terms and conditions set forth herein and therein.

* 1. **Purchaser Need Not Inquire**

No purchaser in good faith of property or rights purporting to be released hereunder shall be bound to ascertain the authority of the Trustee to execute the release or to inquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any purchaser of any other property be under any obligation to ascertain or to inquire into the occurrence of any event on which any sale is hereby authorized.

1. **DEMAND FOR PAYMENT**

Demand for payment of the Debentures with accrued interest shall be made on the Company in writing by the Trustee upon receipt by the Trustee of a Debenture holders’ Instrument. At the time of the making of a demand of payment as above-mentioned, or at any time thereafter the Trustee shall, if the Debentures are not then paid in full, be entitled to publish notices of the fact that the security created by this Trust Deed has become enforceable, in accordance with the provisions of [SPECIFY COUNTRY ACT/LAW/RULE].

1. **CERTAIN COVENANTS BY THE COMPANY**

The Company hereby covenants and agrees:

* 1. **Payment of Debentures**

That it shall well, truly and punctually pay or cause to be paid the principal, premium, if any, and interest to become due *in re*spect of the Debentures on the dates and at the place and in the moneys, amounts and manner provided for with respect thereto herein or therein.

* 1. **Registration of Trust Deed**

That it shall register and from time to time re-register or renew the registration of this Trust Deed and all other requisite instruments without delay at every place where the registration or pre-registration or renewal of registration thereof may be by [YOUR COUNTRY LAW] required to secure or perfect the charges hereof upon the Mortgaged Premises and also where, in the judgement  of the Trustee, it may be of advantage or necessary to the security hereby created and that it shall deliver or exhibit to the Trustee on demand certificates establishing such registration, pre-registration and renewal of registration and shall from time to time renew the same if such renewal is necessary, in the opinion of the Trustee, to effectuate or maintain the security created by the present Trust Deed; and that it shall fulfil all the requirements of the laws of the national, provincial or municipal governments of [COUNTRY] and of any other competent authority.

* 1. **Maintenance of Security**

That it shall fully and effectively maintain the security hereby constituted as a valid and effective security and that it shall not permit or suffer the creation or registration of any lien, privilege or other charge of workmen, builders, contractors or suppliers of material or any other privilege, hypothec, mortgage, pledge, lien or charge upon or *in re*spect of the Mortgaged Premises or any part thereof.

* 1. **Payment of Trustee’s Remuneration**

That it shall pay the Trustee reasonable remuneration for its services as Trustee under this Trust Deed and shall repay to the Trustee on demand all moneys which shall have been paid out by the Trustee for premiums of insurance, repairs, renewals, taxes, maintenance, preservation, legal expenses or charges, or any other expenditures whatsoever which the Trustee may reasonably make or incur in and about the execution of the trusts created by this Trust Deed, with interest thereon at the Trustee’s Interest Rate, from the date that such monies have been paid out by the Trustee; and such moneys and interest thereon, including the Trustee’s remuneration, shall until paid be secured hereby and have the benefit and charge of the security hereby created upon the Mortgaged Premises, in priority to the indebtedness represented by the Debentures and interest and premium, if any, thereon and other sums payable to the holders thereof, and shall be payable by the Trustee out of any funds in the possession of the Trustee.

* 1. **Execution of Additional Deeds**

That at any and all times the Company shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, assignments, transfers, hypothecs, mortgages, pledges, charges or instruments as the Debenture holders or the Trustee may reasonably require or request for the better hypothecation, mortgaging, pledging and charging and ceding and transferring unto the Trustee of the Mortgaged Premises, and the Company will make, execute, acknowledge and deliver all such further and additional instruments and take all such further action as may be necessary or required to carry out the intent and purpose hereof.

* 1. **Performance of Obligations under Contract with Debenture holders**

That it shall fully and effectively perform, fulfil, observe and execute all the covenants, conditions and obligations contained or referred to in any and all deeds, documents, agreements and writings executed by and between the Debenture holders and the Company or by the Company in favour of the Debenture holders.

* 1. **Facilitating realisation of Security**

That after the security hereby created shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, the Company shall from time to time execute and do all such assurances and things as the Trustee may reasonably require for facilitating the realisation of the Mortgaged Premises, for exercising all the powers, authorities and discretion hereby conferred upon the Trustee and for confirming to any purchaser of any of the Mortgaged Premises, whether sold by the Trustee hereunder or by judicial proceedings, the title to the properties so sold, and that it shall give all notices and directions as the Trustee may consider expedient.

* 1. **Suspension of Rights of the Company**

That any right or privilege granted hereunder to the Company shall be suspended from the moment that the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce same pursuant to the provisions of this Deed.

1. **NOTICES**

Any notice given under this Trust Deed to a Debenture holder shall be properly given by sending the same by prepaid registered mail (or in the case of absence of postal service, by messenger) addressed to such Debenture holder at his last address appearing on the register mentioned in Section 2.9. Any notice given by mail shall be deemed to have received on the third business day next following the day on which the envelope containing it was deposited in a post office or public letter box in [COUNTRY] (or on the day of the acknowledgement of its receipt if it is delivered by messenger). Any notice to be given to the Company shall be transmitted in the same manner to the head office of the Company and every notice to the Trustee shall be transmitted in the same manner to the address set out above.

1. **EVENTS OF DEFAULT**
	1. **Security to Become Enforceable**

The security hereby constituted shall become immediately enforceable if and when one or more of the following events (herein sometimes called “Events of Default”) shall happen:

* + 1. Default in Payments

The Company shall have failed to make payment of the principal of or interest on any of the Debentures when the same becomes payable in accordance with the terms of the Debentures and, when due and payable, any other sums the repayment of which is secured by this Deed;

or

* + 1. Bankruptcy or Liquidation

The Company makes an assignment for the benefit of creditors, or files or consents to the filing of a petition in bankruptcy under the [SPECIFY COUNTRY ACT/LAW/RULE]; or

* + 1. Observance of Covenants

Default shall be made in the due observance or performance of any other covenant or condition in this Deed required to be observed or performed by the Company (and which is not otherwise specifically provided for as an Event of Default in this Article 8).

* 1. **Notice of Default**

Any notice as aforesaid may be given by the Trustee or its agent of its own initiative and shall be given upon receipt by it of a Bondholders’ Instrument requesting same.

1. **IN CASE OF DEFAULT**
	1. **Waiver of Default**

In the event that the security constituted hereunder shall become enforceable, the Debenture holders may, by Debenture holders’ Instrument, require the Trustee to waive the default and, in such event, the Trustee shall thereupon waive the default unconditionally or upon such terms and conditions as such Debenture holders’ Instrument shall prescribe.

* 1. **Entry**

In the event that the security hereby constituted shall become enforceable as herein provided, the Trustee may in its discretion, and upon receipt by it of a Debenture holders’ Instrument and the Trustee’s Indemnification, by its officers, agents or attorneys, enter into and take possession of all or any part of the Mortgaged Premises, with full power to carry on, manage and conduct the business operations of the Company, including the power to borrow money or advance its own moneys for the purposes of such business operations, the maintenance and preservation of the Mortgaged Premises or any part thereof, the payment of taxes, wages and other charges ranking in priority to the Debentures and current operating expenses incurred not more than [NUMBER] days prior to such taking of possession (and the moneys so borrowed or advanced by the Trustee shall be repaid by the Company on demand and, until repaid with interest thereon at the Trustee’s Interest Rate, form a charge upon the Mortgaged Premises in priority to the Debentures) and to receive the revenues, incomes, issues and profits of the Mortgaged Premises and to pay therefrom all the expenses, charges and advances of the Trustee in carrying on the said business operations or otherwise,

and all taxes, assessments and other charges against the Mortgaged Premises ranking in priority to the Debentures, payment of which may be necessary to preserve the property, and to apply the remainder of the moneys so received, first in the payment of interest due and unpaid with interest thereon at the rate borne by the Debentures on which the interest is in default, and the balance (if any) shall be held and applied in the same manner as if the same arose from a sale or realisation of the Mortgaged Premises; provided that the Trustee shall, upon the removal or waiver of all defaults hereunder, restore the said property and business to the Company, and pay to it any balance of income so received after such payment of all amounts due to or properly payable to the Trustee hereunder in priority to the Debentures, and in case of any such return of property to the Company, the security hereby constituted shall no longer be deemed to have become enforceable by reason of the default or defaults which theretofore existed, but the rights to arise upon a subsequent default shall not be affected thereby.

Should the Trustee restore the said property and business to the Company, it is hereby declared and acknowledged that the Mortgaged Premises or any part thereof so restored to the Company and already charged hereunder prior to the taking or possession by the Trustee, its officers, agents or attorneys become and are still subject to the security herein created as completely and in the same manner as if no default had occurred, and the Company and the Trustee shall execute all deeds and do all things necessary or useful to achieve this purpose.

* 1. **Sale**

In case the security hereby constituted shall have become enforceable as herein provided and the Company shall have failed to pay the Trustee, on demand, the principal of and interest on all Debentures outstanding together with any other amounts due hereunder or on the Debentures, the Trustee may, in its discretion, either after such entry as aforesaid, or after other entries by its officers or agents, or without any entry, sell, liquidate, transfer, alienate, mortgage, hypothecate, pledge or otherwise dispose of, deal with or grant security upon the whole or any part of the Mortgaged Premises as a whole or in parcels by private agreement or by auction, in such manner and at such prices or for such consideration and on such terms and conditions as it may consider advisable, the whole without any further notice or formality whatsoever, the Trustee being hereby constituted the irrevocable attorney of the Company for the purposes aforesaid.

Any such sale, liquidation, transfer, alienation, mortgage, hypothecation, pledge or other disposal of the Mortgaged Premises as aforesaid, shall be a perpetual bar both in law and equity against the Company and its assigns and all other persons claiming the said property or any part or parcel thereof by, from, through or under the Company or its assigns, and the proceeds of any such sale shall be distributed in the manner herein provided. The Trustee or any one or more of the Debenture holders or any agent or representative thereof may become purchasers at any sale of the Mortgaged Premises whether made under the power of sale herein contained or pursuant to foreclosure or other judicial proceedings.

* 1. **Application of the Proceeds of Sale**

Except as herein otherwise expressly provided, the moneys arising from any sale or realisation of the whole or any part of the Mortgaged Premises, whether under any sale or disposal by the Trustee or by judicial process or otherwise, shall be applied, together with any other moneys then in the hands of the Trustee available for such purpose, in the first place to pay or reimburse to the Trustee the costs, charges, expenses, borrowings, advances and compensation of the Trustee in or about the execution of its trusts or otherwise *in re*lation to these presents with interest thereon as herein provided, and the residue of the said moneys shall be applied in the following order:

* + 1. firstly, to pay any claim or debt which by [YOUR COUNTRY LAW] or under this Deed is payable by preference over the amounts due to the Debenture holders or which is entitled to a lien or security prior to that of the Debenture holders;
		2. secondly, to pay in full the principal of and accrued interest on the Series A Debentures;
		3. thirdly, to pay in full the principal of and accrued interest on the Series B Debentures;
		4. fourthly, to pay in full the principal of and accrued interest on the Series C Debentures;
		5. fifthly, to pay in full the principal of and accrued interest on the Series D Debentures; and then
		6. lastly, to pay any surplus to the Company or its assigns.
	1. **Production of Debentures Upon Payment**

The Trustee shall have the right at the time it makes any payment required by this Article 9 to demand of the person claiming such payment the production of the actual Debenture under which it claims such payment be made, and shall cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may in its discretion dispense with such production and endorsement in any special case upon such indemnity being given as it shall deem sufficient.

* 1. **Trustee Appointed Attorney of Company**

The Company hereby irrevocably appoints the Trustee to be the attorney of the Company for and in the name and on behalf of the Company to execute and do any deeds, documents, transfers, conveyances, assignments, assurances, consents and things which the Company ought to sign, execute and do hereunder and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred on the Trustee with full powers of substitution and revocation.

* 1. **Trustee Not Required to Act**

The Trustee shall have the right in its discretion to proceed in its name as trustee hereunder in the enforcement of the security hereby constituted by any remedy provided by law, whether by legal proceedings or otherwise, but it shall not be bound to do or take any act or action in virtue of the powers conferred on it by these presents unless and until it shall have been required so to do by a Debenture holders’ Instrument defining the action which it is required to take, and the Trustee may before taking such action, require the Debenture holders to deposit with the Trustee the Debentures held by them and to furnish the Trustee’s Indemnification.

The obligation of the Trustee to commence or continue any act, action or proceedings for the purpose of realising upon the Mortgaged Premises or for the enforcement of any covenant or obligation under or arising out of these presents or of the Debentures shall, at the option of the Trustee, be conditional upon the Debenture holders furnishing, when required in writing by the Trustee, the Trustee’s Indemnification.

* 1. **Limitation of Trustee’s Liability in Action**

The Trustee shall not be responsible or liable, otherwise than as a trustee, for any debts contracted by it, for damages to persons or property or for salaries or non fulfilment of contracts during any period wherein the Trustee shall manage the Mortgaged Premises upon entry, as herein provided, nor shall the Trustee be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable, and the Trustee shall not be bound to do, observe or perform or to see to the observance or performance by the Company of any of the obligations or covenants herein imposed upon the Company nor in any way to supervise or interfere with the conduct of the Company’s business, unless and until the security hereby created has become enforceable and the Trustee shall have become bound to enforce the same and shall have been kept supplied with moneys reasonably necessary to provide for the expenses of the required action and with satisfactory indemnity as aforesaid.

1. **CONCERNING THE TRUSTEE**
2. By way of supplement to the provisions of any law for the time being relating to trustees and subject to the limitations set out in Section 10.3 hereof, it is expressly declared as follows:
	* 1. May Act on Advice of Lawyer et al

That the Trustee may execute any of the trusts or powers imposed or conferred upon it hereby, and perform any duties required of it, by or through attorneys or agents, and may *in re*lation to these presents act on the opinion or advice of or information obtained from any lawyer, evaluator, surveyor, broker, auctioneer or other expert, whether obtained by the Trustee or by the Company or otherwise, but it shall not be required to act according to the opinion, advice or information obtained from them, and shall not be responsible for any loss occasioned by acting or not acting thereon, and shall be entitled to take legal or other advice and employ such assistance as may be necessary to the proper discharge of its duties, and to pay proper and reasonable compensation to such agents and attorneys for all such legal and other advice or assistance as aforesaid;

* + 1. To Exercise Reasonable Diligence

That the Trustee shall only be accountable for reasonable diligence in the management of the trusts hereof, and shall only be liable for its own willful acts and defaults;

* + 1. Uncontrolled Discretion to Exercise Powers

That the Trustee, except as herein otherwise provided, shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof, whether *in re*lation to the manner or as to the mode and time for the exercise thereof, and in the absence of fraud, it shall be in no way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non exercise thereof;

* + 1. Not Liable for Defects in Title

That the Trustee shall not be liable for or by reason of any failure or defect of title to or any encumbrance upon the Mortgaged Premises, or for or by reason of the statements of facts or recitals in this Trust Deed or in the Debentures contained, or be required to verify the same; but all such statements and recitals are and shall be deemed to have been made by the Company only, and it shall not be the duty of the Trustee, and nothing herein contained shall in any way cast any obligation upon the Trustee, to see to the registration or filing or renewal of this Trust Deed or any other deed or writing by way of hypothec, mortgage, pledge, charge or cession or transfer upon the Mortgaged Premises or any part thereof,

or upon any other property of the Company, or to procure any local hypothec, mortgage, pledge, charge or other additional instrument of further assurance, or to do any other act for the continuance of the lien or charge hereof, or for giving notice of the existence of such lien or charge, or for extending or supplementing the same, or to insure or keep insured, against loss or damage by fire or otherwise, the Mortgaged Premises or any part thereof or to keep itself informed or advised as to the payment by the Company of any taxes or assessments or premiums of insurance or other payments which the Company should make or to require such payments to be made;

* + 1. May Appoint Agents

That the Trustee may for the execution of the duties and powers conferred upon it hereunder appoint or employ receivers, lawyers, agents or other persons, but the Trustee shall not be responsible for any misconduct on the part of any such receiver, lawyer, agent or other person appointed by it hereunder, or bound to supervise the proceedings of any such other appointee;

* + 1. Need Not Interfere in Company’s Business

That the Trustee shall not be bound to give notice to any person or persons of the execution hereof or of the lien and charge of these presents unless and until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same;

* + 1. Not Responsible for Moneys Subscribed

That the Trustee shall not be responsible for the moneys subscribed by applicants for or purchasers of the Debentures or be bound to see to the application thereof;

* + 1. May Vote In Bankruptcy

That, in the event of the Company making an authorised assignment or a custodian, trustee or liquidator *in re*spect of the Company’s properties being appointed under the Bankruptcy and Insolvency [SPECIFY COUNTRY ACT/LAW/RULE], or in the event of the Company making a compromise or arrangement under the Companies’ Creditors Arrangement [SPECIFY COUNTRY ACT/LAW/RULE], the Trustee, if directed to do so by a Debenture holders’ Instrument, may, in bankruptcy or winding up proceedings under the Companies’ Creditors Arrangement [SPECIFY COUNTRY ACT/LAW/RULE], and as Trustee and on behalf of the Debenture holders, file and prove a claim, value security and vote and act at all meetings of creditors and otherwise in such proceedings as directed;

* + 1. Trustee to Act on Instructions of Debenture holders

That the Trustee shall, subject only to the provisions of Section 9.7, be obliged to act and shall act and be fully protected in acting upon the instructions, requests or directions set forth in a Debenture holders’ Instrument in connection with any proceeding, act, power, right, matter or thing relating to or conferred by right or to be done under this Deed.

1. **TRUSTEE MAY DELEGATE**

The Trustee may from time to time delegate to any company or person, and as long as all the Debentures at any time outstanding hereunder are held by one person may delegate to such Debenture holder, the performance of any of the trusts and powers vested in it by these presents, and the Trustee shall not be in any way responsible for any loss incurred by the misconduct or default of any such delegate or as a result of such delegation.

1. **IN CASE OF CONFLICT WITH [YOUR COUNTRY LAW]**

The provisions of Section 10.1 and Section 10.2, to the extent to which they may contravene or be prohibited by any Act of [COUNTRY] or Act of a Province of [COUNTRY] for the time being relating to trustees, shall be without effect *in re*spect to any matter to which such Act supplies, to the extent that it applies, without otherwise affecting the provisions of this Article [NUMBER].

1. **FREE ACCESS TO RECORDS**

If requested by the Debenture holders or by those to whom the Debentures have been assigned or pledged, the Trustee shall be obliged to give to those so requesting or to their officers or authorised agents, free access to and communication of the Trustee’s records relating to these presents and all matters connected therewith.

1. **APPOINTMENT OF NEW TRUSTEE**

The Trustee may at any time resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Company and the Debenture holders [NUMBER] days’ notice in writing or such shorter notice as the Debenture holders and the Company may be willing to accept, and the Debenture holders may, at any time by a Debenture holders’ Instrument, appoint a new Trustee in the place of any Trustee so resigning; and the Debenture holders shall also have the power by a Debenture holders’ Instrument to remove the Trustee at any time and to appoint a new Trustee. Any such new Trustee without further formality shall be vested with and have all the property, rights, powers and authority granted to the Trustee hereunder and be subject in all respects to the terms, conditions and provisions hereof.

1. **DEFEASANCE**
	1. **Trustee to Cancel and Discharge**

On payment by the Company, either before or after demand for payment, of all moneys in principal and interest payable on the Debentures issued in virtue hereof and on payment of all moneys due to the Trustee and any other moneys due hereunder, the Trustee shall at the request and expense of the Company, cancel and discharge this Trust Deed and release the Company from this Deed and its registration, provided that, if the Debentures issued hereunder have been pledged or deposited by the Company as security for any indebtedness or the fulfilment of any obligation of the Company, the release and return of the Debentures so issued as security shall not be deemed to operate as an extinction of the said Debentures, and the Company shall be entitled to reissue or repledge the same as and when the Company may see fit.

* 1. **Registrar to Cancel and Discharge**

The registrar of any registration division in which any properties affected by this Deed are situate shall radiate and discharge and cancel the registration of any hypothec, mortgage, pledge or charge or cession and transfer created hereby or hereafter created under the provisions hereof upon the registration of any acquaintance, discharge, release, main levee or document to that effect signed by the Trustee, without being obliged to see that any of the conditions of this Deed have been fulfilled.

1. **MODIFICATION**
	1. **Powers of Debenture holders**

The Debenture holders shall have the following powers exercisable from time to time by a Debenture holders’ Instrument:

* + 1. Modification of Rights of Debenture holders or Trustee

Power to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of the Debenture holders and/or the Trustee against the Company or against its undertaking, property and assets or any part thereof, whether such rights arise under this Trust Deed or the Debentures or otherwise;

* + 1. To Direct Trustee

Power to direct or authorise the Trustee to exercise any power, right, remedy or authority given to it by this Trust Deed or the Debentures in any manner specified in such Debenture holders’ Instrument or to refrain from exercising any such power, right, remedy or authority;

* + 1. Waiver of Default

Power to waive and direct the Trustee to waive any default on the part of the Company in complying with any provision of this Trust Deed or the Debentures either unconditionally or upon any conditions specified in such Debenture holders’ Instrument, whether or not the security hereof shall have become enforceable by reason of such default.

* 1. **Definition of Debenture holders’ Instrument**

The term “Debenture holders’ Instrument” means a document signed in one or more counterparts by the holder or holders of not less than [PERCENTAGE %] in principal amount of each Series of Debentures outstanding for the time being, setting out the exercise of any of the powers granted to the Debenture holders by this Article [NUMBER] or requiring the Trustee to take or to refrain from taking some act, action or proceeding specified therein, or setting out any other authorization or direction, which by the terms hereof may be given by a Debenture holders’ Instrument. Any Debenture holder may execute any such Instrument in person or by agent or attorney duly authorised in writing.

* 1. **Binding Effect of Debenture holders’ Instrument**

Any power exercised by a Debenture holders’ Instrument as provided in Section 13.2 shall be binding upon the Debenture holders and each of them and the Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect thereto accordingly.

1. **ACCEPTANCE BY TRUSTEE**

The Trustee hereby accepts the trusts in this Trust Deed declared and provided and agrees to perform the same upon the terms and conditions herein set forth.

1. **FORMAL DATE**

This Deed may be referred to as bearing formal date of the [DATE], notwithstanding the actual date of its execution.

**SCHEDULES**

FORM OF SERIES [SPECIFY] DEBENTURE

[COUNTRY]

PROVINCE OF [STATE/PROVINCE]

[COMPANY NAME]

(Incorporated under the [YOUR COUNTRY LAW] of [COUNTRY])

[PERCENTAGE %] Demand Debenture

Series:

No. [AMOUNT]

[COMPANY NAME] (hereinafter called the “Company”), for value received, promises to pay upon presentation of this Series Debenture to or registered assigns, at or at any other address in [COUNTRY] indicated by the registered holder hereof, on demand, the principal sum of [AMOUNT] in lawful money of [COUNTRY] and to pay interest thereon on demand from the date of this Series [SPECIFY] Debenture, both before and after default, in like money, at the rate of [PERCENTAGE %] percent per annum, calculated half yearly and not in advance, with interest on all overdue interest, calculated daily at the same rate, from the date that the interest becomes due to the actual date of payment.

This Series [SPECIFY] Debenture is issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge bearing formal date of the [DATE] (herein called the “Trust Deed”) executed by the Company in favour of [INDIVIDUAL NAME], C.A. as Trustee for the Debenture holders, to which Trust Deed reference is hereby made for the terms and conditions upon and subject to which this Series [SPECIFY] Debenture is issued and held and the nature and extent of the security therefor.

The total principal amount of Debentures authorised to be issued under the Trust Deed from time to time is limited to [AMOUNT]. All Series Debentures at any time outstanding rank *pari passu* and are equally and rateably secured by the Trust Deed.

This Series [SPECIFY] Debenture is subject to the terms and conditions of the Trust Deed, to all of which the holder of this Series [SPECIFY] Debenture by his acceptance hereof assents.

This Series [SPECIFY] Debenture is fully registered and may only be transferred by the holder hereof upon compliance with the provisions of the Trust Deed in that behalf.

This Series [SPECIFY] Debenture shall not become obligatory until it shall have been certified by the Trustee for the time being under the Trust Deed.

IN WITNESS WHEREOF, [COMPANY NAME] has caused this Series [SPECIFY] Debenture to be signed by [NAME], Its [TITLE] and to be dated the [DATE] day of [DAY] of [YEAR].

[COMPANY NAME]

By:

TRUSTEE’S CERTIFICATE

This Series [SPECIFY] Debenture is one of the Series [SPECIFY] Debentures issued under the Trust Deed within mentioned.

Date of certification:

By:

[INDIVIDUAL NAME]

FORM OF TRANSFER

For value received, by these presents, cedes and transfers to the present Series [SPECIFY] Debenture with full power of substitution, all its rights, the principal amount and outstanding interest on the present Series [SPECIFY] Debenture and irrevocably appoints as its attorney to complete the transfer on the books of the above mentioned Company.

Dated, [DATE]

Witness

WHEREOF ACT:

DONE AND PASSED at the City of [STATE/PROVINCE] on the [DATE] and of record in the office of the undersigned Notary under the number of her notarial minutes.

AND after the [COMPANY NAME] had declared to have taken cognizance of these presents and to have exempted the said Notary from reading them or causing them to be read, the said duly authorised officer of the Company and the Trustee respectively have signed these presents, all in the presence of the said Notary who has also signed.

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

COMPANY TRUSTEE

Authorized Signature Authorized Signature

Print Name and Title Print Name and Title

NOTARY

Authorized Signature

Print Name and Title