Pledge Agreement

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This document is a Pledge Agreement (the “Agreement”) and is effective [DATE],

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

 [YOUR COMPLETE ADDRESS]

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

 [COMPLETE ADDRESS]

For good and valuable consideration, the receipt and legal sufficiency of which are hereby expressly acknowledged, the [COMPANY NAME] hereto agree as follows:

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

1. The Borrower pledges to the Lender the securities listed in Annexure A hereto (the “Securities”) 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 fulfilment of all obligations, present and future, direct and indirect, absolute and contingent, presently due and hereafter due to the Lender by the Borrower including, without limiting the generality of the foregoing: (i) the obligation to repay (in capital, interest and accessories and upon the terms and conditions provided for thereunder) all present and future advances or loans made by the Lender to the Borrower, and (ii) all other obligations or liabilities of the Borrower to the Lender, (hereinafter collectively referred to as the “Obligations”), whether the Obligations arise from agreements or dealings between the Lender and the Borrower or from agreements or dealings with any third person by which the Lender may be or become in any manner whatsoever a creditor of the Borrower or however otherwise arising and whether the Borrower be bound alone or with another or others and whether as principal or surety.
2. In the event the Borrower fails to fulfil any of the Obligations, including a default under the Loan or to repay any advances or loans made by the Lender to the Borrower, or the interest thereon, or any part of such advances, loans or interest, when due, or when an instrument evidencing such indebtedness matures or upon default to make any payment when requested (“Event of Default”), the Lender may, without advertisement or notice to the Borrower or others and without demand for payment or formality whatsoever, the Borrower hereby renouncing to such advertisement, notices, demands for payment, formalities or other requirements of law, sell the Securities or any one of them, at public or private sale, or otherwise dispose of all or any of the Securities for such price and upon such terms and conditions as it deems best or enforce payment and realise upon the security of any bond or debenture comprised amongst the Securities and with respect to such bonds or debentures the Lender may exercise or cause to be exercised all the rights and remedies of a bondholder or a debenture holder under the trust deed pursuant to which such bonds or debentures were issued without any control by the Borrower as though the Lender was the absolute owner of such bonds or debentures.
3. All income from the Securities and the proceeds of any sale or realisation of the Securities, after deduction of all expenses thereof, with interest on such expenses at the rate then borne by the advances or loans by the Lender to the Borrower, may be held by the Lender as security as aforesaid, 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. With respect to any bonds or debentures comprised amongst the Securities and whether or not the Borrower be in default under this Agreement, the Lender shall be considered the owner of such bonds or debentures as regards the trustee or trustees under the trust deeds pursuant to which the same were issued, for all purposes of such trust deeds. The Lender is hereby authorised to exercise all rights, remedies, powers, privileges, guarantees and recourses available to a bondholder or a debenture holder under such trust deeds, and the trustee or trustees under such deeds shall act upon instructions and directions of the Lender.
5. The Lender shall not be bound to realise on any or all of the Securities nor to permit the alienation of same and it shall not be responsible for any loss resulting from the sale of any or all of the Securities, the retention thereof or refusal to sell, dispose of or realise upon the same; nor shall the Lender be required to collect or receive the interest or dividends thereon nor to demand payment thereof.
6. In the event that the Borrower should receive a dividend or interest payment on any of the Securities, all sums thus received shall be immediately paid to the Lender and the default of the Borrower to do so shall constitute an Event of Default under the provisions hereof.
7. The Lender or any officer of the Lender is hereby constituted the irrevocable attorney of the Borrower, with power to delegate and sub-delegate, for the purpose of transferring all or any of the Securities and the Lender may endorse the Securities and/or execute any transfers of stocks, bonds or debentures or any power of attorney and generally all documents required to complete the transfer and alienation of all or any of the Securities. The Lender and its nominees are hereby empowered to exercise all rights and powers (and to perform all acts of ownership) *in re*spect of all or any of the Securities to the same extent as the Borrower might do and the Borrower shall forthwith repay all consequent outlays and expenses with interest at the rate then borne by the advances or loans by the Lender to the Borrower, failing which such sums shall be added by the Lender to the sums due and guaranteed by the Securities.
8. The Lender shall not be obliged to exhaust its recourses against the Borrower or any other party or parties or against any other security or securities it may hold before realising on or otherwise dealing with the Securities in such manner as the Lender considers desirable and the Lender may grant time, renewals, extensions, indulgences, releases and discharges to, any take securities from and give the same and any and all existing Securities up to, may abstain from taking securities from or from perfecting securities already received, may accept compositions from, and may otherwise deal with the Borrower and all other persons and securities (including all or any of the Securities), as the Lender sees fit, without prejudice to the right of the Lender to hold, deal with and realise on the Securities in any manner which the Lender considers desirable.
9. In the event that all or any of the Securities are changed, re-classified, subdivided, consolidated or converted, the shares and/or other securities and/or monies resulting from such change, re-classification, subdivision, consolidation or conversion shall be and are hereby made subject to the charge created under and by virtue of this Agreement and the Borrower shall execute all documents and otherwise do everything necessary or useful to give effect to this provision. The terms and conditions of this Agreement shall apply, *mutatis mutandis*, to securities which have been substituted or exchanged and are thus pledged hereunder in favour of the Lender.
10. Under no circumstances may the Lender, on realising upon the Securities, 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 the Borrower is liable for any reason or under any agreement entered into in connection with the Obligations.
11. At the request of the Lender, the Borrower shall execute, at the Borrower’s expense, every transfer and every document required to be executed to give full force to the undertakings of the Borrower contained in the present Agreement or which might be useful to confer upon the Lender or any other person appointed by the Lender the ownership of all or any of the Securities.
12. The Lender binds itself to exercise in the keeping of the Securities only the same degree of care as exercised by the Lender in connection with any other securities held by it as owner.
13. All claims, present or future, of the Borrower against any person liable upon or for the payment of any of the Securities, are hereby assigned to the Lender.
14. Every notice given in writing to the Borrower shall be properly given if sent by mail to the last address given in writing to the Lender or in the case of a disruption of postal service if delivered by messenger to the same address.
15. If any payment should be made on account of the sums due to the Lender, the Lender shall not be required to surrender any of the Securities. Upon payment of the sums due by the Borrower to the Lender, in whole or in part, the Lender shall be authorised to deliver to the person presenting payment any or all of the Securities as the Lender may see fit to relinquish.
16. All costs and charges incurred by the Lender, with interest at the rate then borne by the advances or loans by the Lender to the Borrower, either for the safekeeping or for the realisation of any or all of the securities (including all solicitor and court costs and also including expenses of taking possession of, protecting and realising upon any property comprised in the Securities) shall be added by the Lender to the sums due and guaranteed by the Securities.
17. It is understood and agreed that the outlays expenses, costs and charges incurred by the Lender hereunder and which, pursuant to the terms hereof, are the responsibility of the Borrower, shall not exceed under any circumstance [PERCENTAGE %] percent of the sums, the repayment of which are guaranteed by this Agreements.
18. The Lender shall have the right to vote at any special or general meeting at which a holder of the Securities has the right to vote and shall also be authorised to appoint any person to exercise said right to vote.
19. The records of the Lender shall certify and constitute, if necessary, a full and final proof of the existence of an Event of Default, of the proceedings undertaken and of the action taken by the Lender.
20. The present Agreement shall constitute a continuing agreement and shall have effect whenever and so often as any of the Obligations exist.
21. This Agreement and the security hereunder are in addition to, and not in substitution for, any other security held by the Lender as security for fulfilment of the Obligations and shall not operate as a novation of any debt of the Borrower towards the Lender nor shall it be read as part of another contract or suspend the fulfilment of the Obligations, or affect the rights, remedies and powers of the Lender *in re*spect thereof, including its rights to realise upon the guarantee by means of securities other than those listed within the Annexure hereto.
22. The Borrower hereby authorises the Lender to sign as the Borrower’s agent, when required, certificates of ownership for the purposes of income tax.
23. The present Pledge Agreement is subject to the [YOUR COUNTRY LAW] of the Province of [COUNTRY] and the [YOUR COUNTRY LAW] of [COUNTRY] applicable therein.

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

# LENDER BORROWER

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title

**ANNEXURE A**

**DESCRIPTION OF SECURITIES**

TYPES OF SECURITIES AMOUNT TERM

[NUMBER] fully registered

[PERCENTAGE %] Demand Debenture of

[COMPANY NAME]

bearing certificate No. [NUMBER] [AMOUNT] Demand