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22 August 2014

Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000
By electronic lodgement

ashurst

Dear Sir/Madam

Form 603 (Notice of initial substantial holder)
Sherwin Iron Limited (Administrators appointed) (Receivers and Managers appointed)
(ASX Code:SHD)

We act for CPPIB Credit Investments Inc. (**CPPIB Credit**).

Please find **attached** an ASIC Form 603 (Notice of initial substantial holder) issued by CPPIB Credit in relation to shares in Sherwin Iron Limited (Administrators appointed) (Receivers and Managers appointed) (ACN 009 075 861).

Yours sincerely

Ashurst Australia

Ashurst Australia

Encl.

AUSTRALIA BELGIUM CHINA FRANCE GERMANY HONG KONG SAR INDONESIA (ASSOCIATED OFFICE) ITALY JAPAN PAPUA NEW GUINEA
SAUDI ARABIA SINGAPORE SPAIN SWEDEN UNITED ARAB EMIRATES UNITED KINGDOM UNITED STATES OF AMERICA

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Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Sherwin Iron Limited (Administrators appointed) (Receivers and Managers appointed)

ACN/ARSN ACN 009 075 861

1. Details of substantial holder (1)

Name CPPIB Credit Investments Inc. (CPPIB Credit)

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 28 July 2014

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	561,777,540 ordinary shares	561,777,540 votes	78.22%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
CPPIB Credit	CPPIB Credit has the power to control the exercise of a voting right and a power to control the exercise of a power to dispose of securities based on enforcement under the Cherokee – Specific Security Deed (SHD) dated 31 December 2013 (a copy of which accompanies this notice and is marked "A") by the Trust Company (Australia) Limited ABN 21 000 000 993 (Trust Company), in its capacity as security trustee for CPPIB Credit.	59,337,377 ordinary shares (held by Jerry Ren)
CPPIB Credit	CPPIB Credit has the power to control the exercise of a voting right and a power to control the exercise of a power to dispose of securities based on enforcement under the Cherokee – Singapore Debenture Deed dated 31 December 2013 (a copy of which accompanies this notice and is marked "B") by the Trust Company, in its capacity as security trustee for CPPIB Credit.	409,488,732 ordinary shares (held by Citizen International Investments Pte Ltd)
CPPIB Credit	CPPIB Credit has the power to control the exercise of a voting right and a power to control the exercise of a power to dispose of securities based on enforcement under the Cherokee – BVI Law General Security Deed dated 31 December 2013 (a copy of which accompanies this notice and is marked "C") by the Trust Company, in its capacity as security trustee for CPPIB Credit.	92,951,431 ordinary shares (held by Citizen International Investments Ltd)

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
CPPIB Credit	Jerry Ren	Jerry Ren	59,337,377 ordinary shares
CPPIB Credit	Citizen International Investments Pte Ltd	Citizen International Investments Pte Ltd	409,488,732 ordinary shares
CPPIB Credit	Citizen International Investments Ltd	Citizen International Investments Ltd	92,951,431 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

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Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
CPPIB Credit	28 July 2014	The relevant interest was acquired as a result of receivers and receivers and managers (as applicable), appointed by the Trust Company (as security trustee for CPPIB Credit), becoming entitled to control disposal of, and the exercise of votes attached to, the ordinary shares in Sherwin Iron Limited (Administrators Appointed)(Receivers and Managers Appointed) pursuant to the terms of the agreements referred to in Section 3 above, which appointments took place on 28 July 2014.	561,777,540 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
CPPIB Credit	One Queen Street East, Suite 2600, P.O. Box 101, Toronto, Ontario, M5C 2W5

Signature

print name

Jeff Donahue

Jeff Donahue
Authorized Signatory

sign here

[Handwritten signature]

date

0821 14

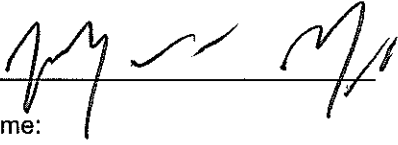
DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
 See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A – Specific Security Deed

This is Annexure A of 40 pages referred to in Form 603 Notice of initial substantial holder by CPPIB Credit Investments Inc.

Signed



A handwritten signature in black ink, appearing to read 'Jeff Donahue', is written over a horizontal line.

Name:

Capacity:

Jeff Donahue
Authorized Signatory

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Cherokee - Specific Security Deed (SHD)

Jerry Ren
(ID No. E4060931)

Citizen International Investments Limited

Citizen International Investments Pte. Ltd.
(Singapore 200820908D)

and

The Trust Company (Australia) Limited
the Secured Party

31 December 2013

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THIS DEED is made on 31 December 2013

BETWEEN:

- (1) **Citizen International Investments Limited** (a BVI business company with company number 1414025) ;
- (2) **Citizen International Investments Pte. Ltd.** (Company Registration Number 200810908D) whose registered office is at 8 Commonwealth Lane #06-01 Grande Building, Singapore 149555;
- (3) **Jerry Ren** (ID number E4060931, date of birth 8 September 1963) of 27-31 Chilton Parade, Warriewood NSW 2074,

each of (1) - (3) inclusive a **Grantor** and together the **Grantors**;
- (4) **The Trust Company (Australia) Limited** ACN 000 000 993 of Level 15, 20 Bond Street, Sydney NSW 2000 (the **Secured Party**).

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

Accounts means, for a period, the financial statements together with any notes to them and any statement or report (including any directors' declaration and any auditors' report) that is required by applicable law to be prepared in relation to them.

Acquired Securities means any Marketable Securities of the Issuer (other than Present Securities) to which a Grantor becomes legally or beneficially entitled at any time (whether or not those Marketable Securities are held for that Grantor by any other person).

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Rules means the ASX Settlement Operating Rules and any other operating rules, procedures, directions, decisions, requirements, customs, usages and practices of ASX Settlement, as amended from time to time.

Attorney means an attorney appointed under a Transaction Document and any attorney's substitute or delegate.

Authorised Representative means:

- (a) for the Secured Party:
 - (i) a company secretary or director of the Secured Party or an employee of the Secured Party whose title includes the word "Chief Executive Officer", "chief", "manager", "director", "counsel", "chief" or "head" or "president";
 - (ii) a person who is acting temporarily in one of those positions; or
 - (iii) a person, or a person holding a position, nominated by the Secured Party to the relevant Grantor; and

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- (b) for each Grantor, a person nominated by that Grantor to the Secured Party in a notice that is accompanied by, and certifies the correctness of, a copy of the signature of that person, and in respect of which:
- (i) the identity of that person has been verified to the satisfaction of the Secured Party in order to manage the Secured Party's anti-money laundering, counter-terrorism financing or economic and trade sanctions risk or to comply with any AML CTF Laws; and
 - (ii) the Secured Party has not received notice of revocation of the appointment.

Business Day means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business and the Secured Party is open for business in each of Sydney, Singapore and Road Town.

BVI Act means the BVI Business Companies Act, 2004 (as amended) of the British Virgin Islands.

Certificate means a certificate or other document evidencing title to a Certificated Security.

Certificated Security means a Marketable Security that is evidenced by a certificate.

CHESS Security means a Marketable Security that is registered on a CHESS Subregister.

CHESS Subregister means, for the Issuer or any issuer of Deposited Securities, that part of its share register that is maintained by ASX Settlement under CHESS.

Collateral Security means a Security Interest or Guarantee (other than the Security Interests granted in clause 2.1) from any person that secures or otherwise provides for payment of any Secured Money.

Companies Act means the Companies Act (Chapter 50) of Singapore.

Constitutional Documents means the constitution of the Issuer (including the trust deed or other document constituting any trust or scheme of which the Issuer is the trustee or responsible entity).

Controller has the same meaning as in the Corporations Act and includes any equivalent provision or role under any other applicable law.

Controlling Participant means The Trust Company Limited or any other person acceptable to the Secured Party who is able to sponsor Marketable Securities on a CHESS Subregister.

Corporations Act means the *Corporations Act 2001* (Cth).

Deposited Security means the Marketable Security the sponsorship of which is transferred to the Controlling Participant, or for which any Certificates and Transfers are deposited by a Grantor with the Secured Party, under clause 2.5.

Event of Default means an event or circumstance described in clause 8.1.

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Finance Party means the Secured Party and CPPIB Credit Investments Inc.

Guarantee means a guarantee, indemnity, letter of credit, performance bond, binding letter of comfort, or other undertaking or obligation (whether conditional or unconditional) to:

- (a) do any one or more of the following in respect of an obligation of another person (whether or not it involves the payment of money):
 - (i) provide funds (including by the purchase of property), or otherwise to make property available, in or towards payment or discharge of that obligation;
 - (ii) indemnify against the consequences of default in the payment or performance of that obligation; or
 - (iii) be responsible in any other way for that obligation; or
- (b) be responsible for the solvency or financial condition of another person.

Guarantor means each person who has given or, at any time after the date of this document, may give to the Secured Party a Guarantee or Security Interest in respect of any of the Secured Money.

Insolvency Event means, in respect of a person:

- (a) an administrator being appointed to the person;
- (b)
 - (i) the person resolving to appoint a Controller or analogous person to the person or any of the person's property;
 - (ii) an application being made to a court for an order to appoint a Controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to the person or any of the person's property; or
 - (iii) an appointment of the kind referred to in subparagraph (ii) being made (whether or not following a resolution or application);
- (c) the holder of a Security Interest or any agent on its behalf, appointing a Controller or taking possession of any of the person's property (including seizing the person's property within the meaning of section 123 of the PPSA);
- (d) the person being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand or any equivalent action being taken under any other applicable law;
- (e) an application being made to a court for an order for its winding up;
- (f) an order being made, or the person passing a resolution, for its winding up;
- (g) the person:
 - (i) suspending payment of its debts, ceasing (or threatening to cease) to carry on all or a material part of its business, stating that it is unable to pay its debts or being or becoming otherwise insolvent; or
 - (ii) being unable to pay its debts or otherwise insolvent;

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- (h) the person taking any step toward entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors;
- (i) a court or other authority enforcing any judgment or order against the person for the payment of money or the recovery of any property
- (j) in addition and without prejudice to the foregoing, where the person is incorporated or established in or under the laws of Singapore:
- (i) the person is or is presumed or deemed to be unable or admits inability to pay its debts, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
 - (ii) the value of the assets of the person is less than its liabilities (taking into account contingent and prospective liabilities);
 - (iii) a moratorium is declared in respect of any indebtedness of the person;
 - (iv) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, judicial management, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the person;
 - (B) a composition or arrangement with any creditor of the person, or an assignment for the benefit of creditors generally of the person or a class of such creditors;
 - (C) the appointment of a liquidator, receiver, judicial manager, administrator, administrative receiver, compulsory manager, provisional supervision or other similar officer in respect of the person or any of its assets; or
 - (D) enforcement of any Security over any assets of the person; or
- (k) any analogous event under the laws of any applicable jurisdiction,

unless this takes place as part of a solvent reconstruction, amalgamation, merger or consolidation that has been approved by the Secured Party.

Issuer means Sherwin Iron Ltd ACN 009 075 861.

Loan Agreement (Citizen) means the agreement dated on or about the date of this document and made between, among others, each of the Grantors and the Secured Party in relation to a loan provided to Citizen International Investments Pte. Ltd., Australian Ilmenite Resources Pty Ltd (controller acting) and Citizen International Investments Limited.

Marketable Security means:

- (a) an intermediated security;
- (b) a debenture, stock or bond, unit in a unit trust, or other marketable security; and
- (c) any other investment instrument.

Material Adverse Effect means a material adverse effect in the opinion of the Secured Party (acting on the instructions of the Lender) on:

- (a) an Obligor's business, property or financial condition;
- (b) an Obligor's ability to perform its obligations under the Transaction Documents;
- (c) the attachment, perfection, effectiveness or priority of any Security Interest given under the Transaction Documents; or
- (d) the validity or enforceability of any Transaction Document or the rights and remedies of the Secured Party under any Transaction Document.

New Right means a present or future right of each Grantor:

- (a) to or in any money, dividend (including any return of capital), interest, offer, bonus, note or other Marketable Security, or any entitlement to subscribe for any of them;
- (b) resulting from any substitution, conversion, redemption, forfeiture, cancellation, reclassification, consolidation or subdivision; or
- (c) resulting from a reduction of capital, liquidation or scheme of arrangement,

in connection with the Secured Property.

Obligor means:

- (b) each Grantor; and
- (c) each Guarantor.

Permitted Security Interest has the meaning given to it in the Loan Agreement (Citizen).

PPS Register means the Personal Property Securities Register established under the PPSA.

PPS Security Interest means a security interest that is subject to the PPSA.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Present Security means each Marketable Security of the Issuer owned by each Grantor on the date of this document, including, without limitation, those specified in Schedule 1.

Receiver means a receiver or a receiver and manager.

Register of Charges means the register of charges of Citizen International Investments Limited, maintained by that entity in accordance with Section 162 of the BVI Act.

Registrar of Corporate Affairs means the Registrar of Corporate Affairs of the British Virgin Islands appointed under Section 229 of the BVI Act.

Secured Money means all amounts (including damages) that are payable, owing but not payable, or that otherwise remain unpaid by any Grantor and/or Obligor to any Finance Party on any account at any time:

- (a) whether present or future, actual or contingent;
- (b) whether incurred alone, jointly, severally or jointly and severally;

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- (c) whether the Grantor and/or Obligor is liable on its own account or for the account of, or as surety for, another person and without regard to the capacity in which the Grantor and/or Obligor is liable;
 - (d) whether due to a Finance Party alone or with another person;
 - (e) whether the Finance Party is entitled for its own account or for the account of another person;
 - (f) whether arising from a banker and customer relationship or any other relationship;
 - (g) whether originally contemplated by the Grantor, Obligor or Finance Party or not;
 - (h) whether the Finance Party is the original person in whose favour any of the above amounts were owing or an assignee and, if the Finance Party is an assignee:
 - (i) whether or not the Grantor and/or Obligor consented to or knew of the assignment;
 - (ii) no matter when the assignment occurred; and
 - (iii) whether or not the entitlements of that original person were assigned with the Security Interests granted in clause 2.1; and
 - (i) if determined pursuant to any award, order or judgment against the Grantor and/or Obligor, whether or not the Grantor and/or Obligor were a party to the court proceedings, arbitration or other dispute resolution process in which that award, order or judgment was made.

Secured Property means all of each Grantor's present and future interest in, to, under or derived from all:

- (a) Present Securities;
- (b) Acquired Securities;

Security Trust means the trust constituted under clause 2 of the Security Trust Deed.

Security Trust Deed means the security trust deed dated on or before the date of this document between, among others, the Grantors and the Secured Party.

Sponsorship Agreement means a sponsorship agreement between each Grantor, the Secured Party and, if required by the Secured Party, a Controlling Participant, under which the Controlling Participant is the sponsor of the CHES Security, and which complies with the ASX Settlement Rules and is otherwise acceptable to the Secured Party.

Transfer means, in respect of a Marketable Security (including a CHES Security), an executed document of transfer sufficient to transfer all the legal and beneficial ownership of that Marketable Security to the Secured Party or its nominee.

1.2 Definitions in ASX Settlement Rules

Unless otherwise defined in this document, any capitalised term used in this document which is defined in the ASX Settlement Rules has the meaning given in the ASX Settlement Rules.

1.3 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
- (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this document or to any other document or agreement includes a successor in title, permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) anything (including a right, obligation or concept) includes each part of it and any part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (g) The expression **this document** includes the agreement, arrangement, understanding or transaction recorded in this document.
- (h) An Event of Default "continues" until the Secured Party notifies each Grantor that it has been:
- (i) remedied to the satisfaction of the Secured Party; or
 - (ii) waived by the Secured Party.
- (i) The words subsidiary, holding company and related body corporate have the same meanings as in the Corporations Act.
- (j) Unless otherwise defined in this document, words that are defined in an applicable Accounting Standard have the same meaning in this document.
- (k) Unless otherwise defined in this document, words defined in the GST Law have the same meaning in clauses concerning GST.

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- (l) If a person is a member of a GST group, references to GST for which the person is liable and to input tax credits to which the person is entitled include GST which the representative member of the GST group is liable and input tax credits to which the representative member is entitled.

1.4 **PPSA terms**

In this document, unless the context requires otherwise, the following terms have the meanings given to them in the PPSA:

- (a) amendment demand;
- (b) attach;
- (c) control;
- (d) financing change statement;
- (e) financing statement;
- (f) intermediated security;
- (g) investment instrument;
- (h) perfect;
- (i) registration; and
- (j) verification statement.

1.5 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day:

- (a) if the act involves a payment that is due on demand, the person must do it on or by the next Business Day; and
- (b) in any other case, the person must do it on or by the previous Business Day.

1.6 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party, then unless otherwise specified in this document:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or that term is a reference to each of those persons separately, so that (for example):
 - (i) a representation, warranty or undertaking relates to each of them separately; and
 - (ii) a reference to that party or that term in clause 8.1 is a reference to each of those persons separately.

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1.7 **Secured Party limitation of liability**

The parties acknowledge that the Secured Party is entering into this document in its capacity as trustee of the Security Trust only and not in any other capacity. Clause 4 of the Security Trust Deed is incorporated into this document as if set out in full in this document.

2. **SECURITY**

2.1 **Security clause**

To secure the punctual payment of the Secured Money, each Grantor grants to the Secured Party a security interest (as defined in the PPSA) over all Present Securities, all Acquired Securities, all New Rights and all Deposited Securities.

2.2 **Priority**

The Security Interests granted in clause 2.1 are intended to take effect as a first ranking security subject only to those Permitted Security Interests which the Secured Party agrees in writing rank in priority to them.

2.3 **Present Securities**

Each Grantor must at the time it executes this document:

- (a) in the case of Present Securities that are CHESSE Securities:
 - (i) enter into the Sponsorship Agreement with the Secured Party and the Controlling Participant in respect of those Present Securities and terminate all other sponsorships of those Present Securities;
 - (ii) authorise the Secured Party to direct the Controlling Participant under the Sponsorship Agreement to utilise the holder identification number as agent to the Grantors;
 - (iii) authorise the Secured Party to initiate or control the sending of instructions by which the Present Securities, Acquired Securities or Deposited Securities can be transferred or otherwise dealt with;
 - (iv) give the Secured Party and the Controlling Participant the applicable holder or other identification numbers and information sufficient to identify those Present Securities (including a copy of the relevant holding statement); and
 - (v) do everything necessary to:
 - (A) ensure that those Present Securities are recorded on the Issuer's CHESSE Subregister; and
 - (B) transfer sponsorship of those Present Securities to the Controlling Participant; and
- (b) in the case of Present Securities that are Certificated Securities, deposit with the Secured Party or the Secured Party's nominee:
 - (i) all Certificates for those Present Securities; and
 - (ii) duly executed Transfers (in form and number satisfactory to the Secured Party) for those Present Securities, with the name of the transferee, the consideration and the date left blank.

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2.4 Acquired Securities

If any Grantor acquires any Acquired Securities it must immediately:

- (a) in the case of Acquired Securities that are CHESS Securities:
 - (i) give the Secured Party and the Controlling Participant the applicable holder or other identification numbers and information sufficient to identify those Acquired Securities (including a copy of the relevant holding statement);
 - (ii) authorise the Secured Party to direct the Controlling Participant under the Sponsorship Agreement to utilise the holder identification number as agent to the Grantors;
 - (iii) authorise the Secured Party to initiate or control the sending of instructions by which the Present Securities, Acquired Securities or Deposited Securities can be transferred or otherwise dealt with; and
 - (iv) do everything necessary to:
 - (A) ensure that those Acquired Securities are recorded on the Issuer's CHESS Subregister; and
 - (B) transfer sponsorship of those Acquired Securities to the Controlling Participant; and
- (b) in the case of Acquired Securities that are Certificated Securities, deposit with the Secured Party or the Secured Party's nominee:
 - (i) all Certificates for those Acquired Securities; and
 - (ii) duly executed Transfers (in form and number satisfactory to the Secured Party) for those Acquired Securities, with the name of the transferee, the consideration and the date left blank.

2.5 Deposited Securities

In addition to its obligations in respect of Present Securities and Acquired Securities, each Grantor may at any time:

- (a) in the case of CHESS Securities that the applicable Grantor proposes become Deposited Securities:
 - (i) give the Secured Party and the Controlling Participant the applicable holder or other identification numbers and information sufficient to identify those Deposited Securities (including a copy of the relevant holding statement);
 - (ii) authorise the Secured Party to direct the Controlling Participant under the Sponsorship Agreement to utilise the holder identification number as agent to the Grantors;
 - (iii) authorise the Secured Party to initiate or control the sending of instructions by which the Present Securities, Acquired Securities or Deposited Securities can be transferred or otherwise dealt with; and
 - (iv) do everything necessary to:

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- (A) ensure that those Deposited Securities are recorded on the CHES Subregister of the entity that has issued those Deposited Securities; and
 - (B) transfer sponsorship of those Deposited Securities to the Controlling Participant; and
- (b) in the case of Certificated Securities that the applicable Grantor proposes become Deposited Securities, deposit with the Secured Party or the Secured Party's nominee:
- (i) those Certificates; and
 - (ii) Transfers (in form and number satisfactory to the Secured Party) for those Deposited Securities, with the name of the transferee, the consideration and the date left blank.

2.6 Documents relating to New Rights

Each Grantor must deposit with the Secured Party or the Secured Party's nominee all certificates, transfers and other documents or agreements evidencing title to New Rights that are sufficient to transfer all of that Grantor's interest in the New Rights to the Secured Party or the Secured Party's nominee.

2.7 Dividends and votes

Until an Event of Default or a Potential Event of Default occurs, each Grantor may:

- (a) exercise all rights (including voting rights) in connection with the Secured Property; and
- (b) (subject to this document) receive and retain free of the Security Interests granted in clause 2.1 the benefits of all cash dividends (other than returns of capital) and interest comprised in New Rights which are distributed to holders of the Marketable Securities.

2.8 Secured Party entitled to exercise rights on default

If an Event of Default or a Potential Event of Default occurs and is continuing:

- (a) each Grantor must, if the Secured Party gives notice to that Grantor requiring it to do so, do everything necessary to ensure that the Secured Property is registered in the name of the Secured Party or its nominee in accordance with any directions contained in that notice;
- (b) each Grantor's rights under clause 2.7 immediately cease;
- (c) the Secured Party may exercise or refrain from exercising any rights in connection with the Secured Property; and
- (d) the Secured Party may receive all New Rights and apply them (or their sale proceeds) in accordance with clause 13.1.

2.9 No postponement of attachment

Nothing in this document may be taken as an agreement that any PPS Security Interest provided for by this document attaches later than the time contemplated by section 19(2) of the PPSA.

2.10 **Acknowledgment of no subordination**

Each Grantor acknowledges that the Secured Party has not agreed to subordinate its Security Interests in the Secured Property to any other interest in the Secured Property, except to the extent (if any) expressly provided by a Transaction Document.

2.11 **Collateral Security**

The Security Interests granted in clause 2.1 are collateral to and secure the same money as is secured by the Collateral Security.

3. **RESTRICTIONS ON DEALING WITH SECURED PROPERTY**

3.1 **Negative pledge**

- (a) The Grantors must not, without the Secured Party's consent, create, attempt to create or permit to exist any Security Interest in relation to the Secured Property (whether ranking ahead of, equally with or after, the Security Interests granted in clause 2.1) other than a Permitted Security Interest.
- (b) Where by law the Secured Party may not restrict the creation of any Security Interest in an asset ranking after the Security Interests granted in clause 2.1:
 - (i) clause 3.1(a) will not restrict that creation; and
 - (ii) the Grantors must ensure that before that Security Interest is created the holder of that Security Interest enters into a deed of priority in form and substance satisfactory to the Secured Party. The Lender is not required to provide or make available any advance or financial accommodation to any Grantor until the deed of priority is entered into on terms satisfactory to the Secured Party.

3.2 **Disposal**

- (a) The Grantors must not, without the Secured Party's consent, dispose of, declare a trust over or otherwise create or permit the creation or existence of any interest in, or part with possession of, any Secured Property.
- (b) The Grantors acknowledge, if it disposes of or otherwise deals with Secured Property or an interest in it in breach of clause 3.2(a), that despite the disposal or dealing:
 - (i) the Secured Party has not authorised the disposal or agreed that the dealing would extinguish any Security Interest that the Secured Party holds in the Secured Property; and
 - (ii) the Security Interests granted in clause 2.1 continue in the Secured Property.
- (c) Each Grantor must give the Secured Party:
 - (i) prompt notice of any transfer of Secured Property or an interest in it in breach of clause 3.2(a); and
 - (ii) any information requested by the Secured Party in relation to the transferee to enable the Secured Party to perfect the Security Interests granted in clause 2.1 as against the transferee.

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- (d) Each Grantor acknowledges that any notification under clause 3.2(c) does not cure the breach of the undertaking in clause 3.2(a).

4. REPRESENTATIONS AND WARRANTIES

4.1 General representations and warranties

Each Grantor represents and warrants to the Secured Party in the terms set out in clause 11 (Representations and warranties) of the Loan Agreement (Citizen).

4.2 Representations and warranties regarding Secured Property

Each Grantor represents and warrants to the Secured Party that:

- (a) **(Secured Property)**
- (i) it has good right and title to the Secured Property, and full power to grant a Security Interest in the Secured Property in the manner provided in this document; and
 - (ii) the Security Interests granted in clause 2.1 are an effective security in the Secured Property, except to the extent (if any) set out in any Transaction Document or that the Secured Party may otherwise agree;
- (b) **(no other interest)** no other person has any interest in or other right over the Secured Property except:
- (i) to the extent (if any) set out in any Transaction Document;
 - (ii) Permitted Security Interests; or
 - (iii) as otherwise agreed by the Secured Party;
- (c) **(location of Secured Property)** at the date of execution of this document, none of the Secured Property is located, or taken for the purposes of any stamp duty law to be located, in New South Wales or Singapore;
- (d) **(no other interest in Marketable Securities issued by the Issuer)** it does not have any interest in any Marketable Securities issued by the Issuer other than the Present Securities and the Acquired Securities;
- (e) **(no escrow or other conditions)** the Secured Property is not subject to any escrow or other conditions imposed by the Corporations Act or Companies Act or under the rules of any stock exchange;
- (f) **(all calls satisfied)** all calls made in respect of the Secured Property have been satisfied;
- (g) **(fully paid Marketable Securities)** the Marketable Securities in the Secured Property are all fully paid;
- (h) **(no money owing to Issuer or issuer of Deposited Securities)** no money is owing by any Grantor to the Issuer or any issuer of Deposited Securities on any account; and
- (i) **(information to identify Secured Property)** it has given to the Secured Party all the information necessary to identify the Secured Property.

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4.3 Repetition of representations and warranties

The representations and warranties in this clause are taken to be repeated on each date that any representation and warranty in the Loan Agreement (Citizen) is repeated, on the basis of the facts and circumstances as at that date.

4.4 No representations by the Secured Party

Each Grantor acknowledges that:

- (a) it has not relied and will not rely on any financial or other advice, representation, statement or promise provided or made by or on behalf of the Secured Party in deciding to enter into this document or to exercise any right or perform any obligation under it; and
- (b) to the extent (if any) that the Secured Party has expressly provided any such advice, representation, statement or promise, the Secured Party is not liable to update it or for any error or change in the factual circumstances on which it was based.

5. GRANTORS' UNDERTAKINGS

5.1 General undertakings

Each Grantor must:

- (a) **(obligation to pay)** punctually pay the Secured Money when it becomes payable in accordance with the terms of any written agreement between the relevant Grantor and the Secured Party or, in the absence of any agreement or after default under any agreement, on demand by the Secured Party;
- (b) **(registration and stamping)** at its own cost ensure that:
 - (i) this document is immediately registered on its register of charges and with any Government Agency specified by the Secured Party if the Secured Party determines that registration is necessary to perfect the Security Interests granted in clause 2.1 or to protect the rights or priority of the Secured Party including the BVI Registrar of Corporate Affairs and the Accounting and Corporate Regulatory Authority of Singapore; and
 - (ii) this document is stamped for the proper amount within the period provided by law in each state and territory of Australia, Singapore or any other relevant jurisdiction in which this document is required to be stamped;
- (c) **(registration details)** give the Secured Party all information that the Secured Party needs in order to ensure that any registration of the Security Interests granted in clause 2.1 on the PPS Register or any other register that the Secured Party chooses is, and remains, fully effective or perfected (or both), and that those Security Interests have the priority contemplated by clause 2.2; and
- (d) **(Loan Agreement (Citizen) undertakings)** comply with each of the terms set out in clause 12 (Undertakings) of the Loan Agreement (Citizen).

5.2 Other undertakings regarding Secured Property

Each Grantor must:

- (a) **(outgoings)**

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- (i) punctually pay all outgoings (including Taxes) payable by it, except to the extent that:
 - (A) these are being diligently contested in good faith and by appropriate proceedings;
 - (B) it has made adequate reserves for them; and
 - (C) failure to pay them will not have a Material Adverse Effect on it or prejudice the Secured Property;
 - (ii) pay the contested amount after the final determination or settlement of the relevant contest; and
 - (iii) on request by the Secured Party, immediately hand to the Secured Party evidence of every payment covered by this undertaking or required under this document;
- (b) **(preserve and protect security)** promptly do everything necessary or reasonably required by the Secured Party to:
- (i) preserve and protect the value of the Secured Property; or
 - (ii) protect and enforce its title and rights and the Secured Party's title as secured party to the Secured Property;
- (c) **(comply with obligations)** do everything it is required to do under or in connection with the Secured Property;
- (d) **(issuer information)** give to the Secured Party as soon as it receives them copies of:
- (i) the annual and semi-annual Accounts of the Issuer and of any issuer of Deposited Securities;
 - (ii) each document that the Issuer or any issuer of Deposited Securities gives to its shareholders; and
 - (iii) such other information relating to the financial condition, business, property and affairs of the Issuer and of any issuer of Deposited Securities as the Secured Party reasonably requests;
- (e) **(comply with Constitutional Documents)** do everything it is required to do (including the payment of calls or instalments) by the Constitutional Documents of the Issuer or of any issuer of Deposited Securities;
- (f) **(perfection by control)** to the extent that any Secured Property is of a type in which a security interest can be perfected by control under the PPSA, do anything that the Secured Party may require to enable it to perfect its Security Interest by control;
- (g) **(Sponsorship Agreement)** without limiting clause 5.2(f), ensure that:
- (i) a Sponsorship Agreement is in force at all times in relation to all CHESSE Securities in the Secured Property;
 - (ii) it complies with all its obligations under, and does not do or omit to do anything which would cause any other party to the Sponsorship Agreement

to breach or to be unable to comply with its obligations under, the Sponsorship Agreement;

- (iii) nothing is done without the consent of the Secured Party to remove any CHESSE Securities from the CHESSE Subregister or the control of the Controlling Participant (even if the Controlling Participant is suspended from CHESSE participation); and
 - (iv) it does everything required by the Secured Party, if sponsorship of any CHESSE Securities in the Secured Property is under the terms of the ASX Settlement Rules to be transferred to another Controlling Participant, to transfer that sponsorship to the new Controlling Participant;
- (h) **(New Rights)** give the Secured Party particulars of all New Rights and documentary or other evidence of New Rights immediately after becoming aware of the New Rights;
- (i) **(take up)** at the Secured Party's request take up New Rights if, in the Secured Party's opinion, failure to do so could mean the Secured Property or the Security Interests granted in clause 2.1 may become materially lessened in value or prejudicially affected;
- (j) **(location of registers)** ensure that:
- (i) as at the date on which a Security Interest is granted over a Marketable Security in accordance with clause 2.1, it is recorded on the CHESSE Subregister for the issuer of the Marketable Security or another register approved by the Secured Party in writing; and
 - (ii) ensure that a CHESSE Security is not removed from that register without the Secured Party's consent; and
- (k) **(non certification of Marketable Securities)** if at any time any proposal is made or action is contemplated by law, by the Issuer or by any issuer of Deposited Securities or otherwise that any Marketable Security in the Secured Property which is certificated is to become uncertificated:
- (i) immediately notify the Secured Party; and
 - (ii) at the Secured Party's request, do everything reasonably required to protect and enforce the Secured Party's rights to the Secured Property.

5.3 Register of Charges

Citizen International Investments Limited shall immediately after execution of this document:

- (a) create and maintain a Register of Charges to the extent this has not already been done in accordance with Section 162 of the BVI Act;
- (b) enter particulars as required by the BVI Act of the security interests created pursuant to this document in the Register of Charges and immediately after entry of such particulars has been made, provide the Secured Party with a certified true copy of the updated Register of Charges;
- (c) effect registration, or assist the Secured Party in effecting registration, of this document with the Registrar of Corporate Affairs pursuant to Section 163 of the BVI Act by making the required filing, or assisting the Secured Party in making the required filing, in the approved form with the Registrar of Corporate Affairs and (if

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applicable) provide confirmation in writing to the Secured Party that such filing has been made; and

- (d) immediately on receipt, deliver or procure to be delivered to the Secured Party, the certificate of registration of charge issued by the Registrar of Corporate Affairs evidencing that the requirements of Part VIII of the BVI Act as to registration have been complied with and the filed stamped copy of the application containing the relevant particulars of charge.

6. SECURED PARTY'S POWERS

6.1 Secured Party may exercise powers without notice

Subject to clause 6.2, to the full extent permitted by law, the Secured Party is not required to give any notice or allow any time to elapse before:

- (a) enforcing a Transaction Document;
- (b) appointing a Receiver; or
- (c) exercising any power, right, discretion or remedy given to the Secured Party by any law,

and each Grantor waives any statutory requirements for notice or lapse of time.

6.2 Notice required by law

If any law requires that a period of notice must be given or a lapse of time must occur or be permitted before any power or right under this document may be exercised, then:

- (a) when a period of notice or lapse of time is mandatory, that period of notice must be given or that lapse of time must occur or be permitted by the Secured Party; or
- (b) when any law provides that a period of notice or lapse of time may be stipulated or fixed by this document, one day is stipulated and fixed as that period of notice or lapse of time including where applicable, as the period of notice or lapse of time during which:
 - (i) default must continue before a notice is given or requirement otherwise made for payment of the Secured Money or the observance of obligations under this document; and
 - (ii) a notice or requirement for payment of the Secured Money or the observance of obligations under this document must remain not complied with before any powers or rights may be exercised.

6.3 Secured Party's right to make good a default

- (a) If any Grantor breaches this document, the Secured Party may do everything it considers to be necessary or desirable to attempt to remedy the breach to the Secured Party's satisfaction. The Secured Party is not obliged to do so. Any liabilities or expenses incurred by the Secured Party in attempting to remedy any such breach must be reimbursed by any Grantor on demand and, pending reimbursement, will be part of the Secured Money.
- (b) Clause 6.3(a) does not limit any other right the Secured Party has under this document or at law.

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6.4 Powers on enforcement

If this document has become enforceable, the Secured Party or any of its Authorised Representatives, without notice to any Grantor, may:

- (a) exercise any of the powers that might be exercised by a Receiver even if a Receiver has not been appointed and without any need to take possession and without being liable as mortgagee in possession; and
- (b) complete any Transfer, other transfer or instrument of any nature executed by or on behalf of any Grantor in blank and deposited with the Secured Party as Collateral Security in favour of, or take any other action required to transfer any Secured Property to, the Secured Party or any appointee of the Secured Party or any other person.

7. POWER OF ATTORNEY

7.1 Appointment of Attorneys

Each Grantor irrevocably appoints the Secured Party and each Authorised Representative of the Secured Party and as an independent appointment appoints any Receiver, severally its attorney, at each Grantor's cost, to:

- (a) **(all acts necessary)** do anything necessary or desirable in the opinion of the Secured Party or the Attorney to:
 - (i) complete this document;
 - (ii) give full effect to this document;
 - (iii) better secure, preserve, perfect or give effect to the Secured Property to the Secured Party in a manner consistent with this document; or
 - (iv) assist in the execution or exercise of any power under this document, including give directions to any Controlling Participant in respect of CHES Securities in the Secured Property, and execute any Transfer and other transfer (including any Transfer and other transfer in blank) or other document;
- (b) do all or any of the following while an Event of Default is continuing:
 - (i) **(recover Secured Property)** demand, sue for, recover and give discharge for the Secured Property;
 - (ii) **(commence actions)** commence, carry on, enforce, settle, arrange and compromise any proceedings to obtain or enforce the payment or delivery of the Secured Property;
 - (iii) **(bankruptcy and winding up)** take any necessary proceedings to procure the bankruptcy or the winding up of any debtor of a Grantor in connection with the Secured Property, and attend and vote at meetings of creditors, receive dividends in any bankruptcy or winding up or appoint a proxy for any of these things;
 - (iv) **(compound debts)** compound, settle or compromise any debt of a Grantor in connection with the Secured Property;
 - (v) **(execute deeds)** execute any agreement including any deed of assignment, composition or release in connection with the Secured Property;

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- (vi) **(exercise Marketable Security owner's rights)** exercise all or any powers, rights, discretions and remedies available to any owner or holder (whether beneficial or otherwise) of any Marketable Securities included in the Secured Property (including any right to give directions to any Controlling Participant or to redeem any Marketable Security and rights available to an owner of Marketable Securities under the Corporations Act or Companies Act or any other statute, or under the rules of any stock exchange); and
- (vii) **(general)** do anything else that any Grantor must or may do, or that the Secured Party may do, under this document or by law.

7.2 General

- (a) Each Attorney may appoint and remove substitutes, and may delegate its powers (including this power of delegation) and revoke any delegation.
- (b) An Attorney may do anything contemplated by this clause even if the Attorney is affected by an actual or potential conflict of interest or duty, or might benefit from doing it.
- (c) An Attorney may do anything contemplated by this clause in its name, in the name of a Grantor or in the name of both of them.
- (d) Each Grantor must ratify anything done by an Attorney under this clause.
- (e) Each Grantor gives the power of attorney in this clause:
- (i) to secure performance by each Grantor of its obligations to the Secured Party under this document and any property interest of the Secured Party under this document; and
 - (ii) for valuable consideration, receipt of which is acknowledged by each Grantor.

8. ENFORCEMENT

8.1 Circumstances when this document may be enforced

The Secured Money will immediately become payable at the Secured Party's option (despite any delay or previous waiver of the right to exercise that option) without the need for any demand or notice under this document or under another Transaction Document, and this document will immediately become enforceable (whether or not the Secured Money has become payable in this manner) if any of the following events occurs:

- (a) **(non-payment)** if an Obligor fails to pay any amount that is due and payable by it under a Transaction Document when it is due;
- (b) **(Insolvency Event)** if an Insolvency Event occurs in respect of an Obligor;
- (c) **(other Event of Default)** if an Event of Default (as defined in the Loan Agreement (Citizen)) occurs.

8.2 Enforcement despite earlier payment

This document may be enforced:

- (a) even if the Secured Party accepts a payment of interest or other amount after the occurrence of any Event of Default; and

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- (b) without the need for any notice to, or of any consent or agreement of, any Grantor or any other person.

8.3 Contracting out of the PPSA

To the extent the law permits:

- (a) for the purposes of sections 115(1) and 115(7) of the PPSA:
 - (i) the Secured Party need not comply with sections 95, 118, 121(4), 125, 130, 132(3)(d) or 132(4); and
 - (ii) sections 142 and 143 are excluded;
- (b) for the purposes of section 115(7) of the PPSA, the Secured Party need not comply with sections 132 and 137(3); and
- (c) if the PPSA is amended after the date of this document to permit a Grantor and the Secured Party to agree not to comply with or to exclude other provisions of the PPSA, the Secured Party may notify any Grantor that any of these provisions is excluded, or that the Secured Party need not comply with any of these provisions, as notified to the relevant Grantor by the Secured Party.

9. DEFAULT INTEREST

9.1 Grantor must pay interest

- (a) Each Grantor must pay interest on each amount that is not paid when due (unless the applicable Grantor is already required to pay interest on the unpaid amount by the terms of any other Transaction Document), from (and including) the day on which it falls due to (but excluding) the day on which it is paid in full, at the rate calculated in accordance with clause 9.1(b). This interest must be paid on demand.
- (b) Interest on an unpaid amount accrues each day at a rate equal to the rate specified in the Loan Agreement (Citizen) for the payment by the relevant Grantor of interest on unpaid amounts, and is capitalised (if not paid) on the last day of each Default Interest Period (as defined in the Loan Agreement (Citizen)).
- (c) This subclause does not affect any Grantor's obligation to pay each amount under this document when it is due.

9.2 Interest after judgment

If a liability of any Grantor becomes merged in a judgment or order, the applicable Grantor, as an independent obligation, must pay interest on the amount of that liability, from (and including) the date of the judgment or order until it is paid in full, at the higher of the rate that applies under the judgment or order and the rate calculated in accordance with clause 9.1.

9.3 Accrual and calculation of interest

Interest under this clause:

- (a) accrues daily; and
- (b) is calculated on the basis of the actual number of days on which interest has accrued and of a 365 day year.

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10. APPOINTMENT OF RECEIVER

10.1 Appointment

If this document has become enforceable (whether or not the Secured Party has entered into possession of all or any of the Secured Property) the Secured Party or any Authorised Representative of the Secured Party may at any time:

- (a) appoint any person or any two or more persons jointly and severally to be a receiver or receiver and manager (or an additional receiver or receiver and manager) of Secured Property;
- (b) remove the Receiver and in case of the removal, retirement or death of any Receiver appoint another as a replacement; and
- (c) fix the remuneration of the Receiver.

Subject to clause 10.2, every Receiver appointed under this subclause will be the relevant Grantor's agent and the Grantors alone will be responsible for the Receiver's acts and defaults and remuneration.

10.2 Receiver other than as Grantor's agent

- (a) The Secured Party by notice to the applicable Grantor and the Receiver may require the Receiver to act as the Secured Party's agent.
- (b) The power to appoint a Receiver under this clause may be exercised even though:
 - (i) at the time when this document becomes enforceable or when an appointment is made, an order may have been made or a resolution may have been passed to wind up the relevant Grantor; or
 - (ii) a Receiver appointed in the circumstances specified in the preceding paragraph may not, or may not in some respects, act as the relevant Grantor's agent.

10.3 Powers of Receiver

The Receiver will have full power to do all or any of the following:

- (a) (**possession and control**) take possession of, or take control of, collect and get any Certificates and Transfers held or entitled to be held by the Secured Party under the Security Interests granted in clause 2.1 and the Secured Property and for that purpose to take proceedings (in the name of the relevant Grantor or otherwise);
- (b) (**give up possession**) give up possession of any Certificates and Transfers held or entitled to be held by the Secured Party under the Security Interests granted in clause 2.1 and the Secured Property;
- (c) (**exercise Secured Party's rights**)
 - (i) exercise all or any of the Secured Party's powers, rights, discretions and remedies under this document; and
 - (ii) comply with the directions given by the Secured Party;
- (d) (**borrow**)

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- (i) borrow from the Secured Party or (with the Secured Party's consent) any other person any money that may be required for the purpose of exercising the Secured Party's rights under the Transaction Documents; and
- (ii) (in the name of the relevant Grantor or otherwise) secure any money borrowed by granting a Security Interest in the Secured Property so that the Security Interest may rank in priority to, equally with or after the Security Interests granted in clause 2.1,

without the Secured Party being bound to enquire whether the borrowing is necessary or proper or responsible for the misapplication or non-application of any money borrowed;

- (e) **(exercise Marketable Security owner's rights)** exercise all or any powers, rights, discretions and remedies available to any owner or holder (whether beneficial or otherwise) of any Marketable Securities included in the Secured Property (including any right to give directions to any Controlling Participant or to redeem any Marketable Security and rights available to an owner of Marketable Securities under the Corporations Act or Companies Act or any other statute, or under the rules of any stock exchange);
- (f) **(registration)** do everything necessary to obtain registration of the Secured Property in the name of the Secured Party or its nominee and to enable the Secured Party or its nominee to receive New Rights;
- (g) **(New Rights)** receive all New Rights;
- (h) **(settle disputes)**
 - (i) settle, arrange and compromise any accounts, claims, questions or disputes that may arise in connection with the Secured Property or in any way relating to this document; and
 - (ii) execute releases or other discharges in relation to the settlement, arrangement, or compromise;
- (i) **(sell)** sell (whether or not the Receiver has taken possession), exchange or otherwise dispose of (absolutely or conditionally) the Secured Property (or agree to do so):
 - (i) with or without any other property;
 - (ii) by public auction, private sale or tender for cash or on credit;
 - (iii) whether or not the reserve price for a sale by auction or tender is disclosed;
 - (iv) in one lot or in parcels;
 - (v) with or without special conditions, (such as conditions as to title or time or method of payment of purchase money) including by allowing the purchase money to remain:
 - (A) outstanding on any security over the property sold or over any other property; or
 - (B) owing without any security; and
 - (vi) on other terms the Receiver considers desirable,

without being responsible for any loss;

- (j) **(transfer on sale)** execute Transfers, other transfers and assignments of Secured Property (including in the name of the relevant Grantor), and do everything to complete any sale under clause 10.3(i) that the Receiver thinks necessary;
- (k) **(employees and agents)** engage employees, agents, consultants, lawyers, advisers and contractors for any of the purposes of this clause on terms that the Receiver thinks appropriate;
- (l) **(give receipts)** give receipts for all money and other property that may come into the hands of the Receiver in exercise of any power given by this document;
- (m) **(enforce contracts)** carry out and enforce or otherwise obtain the benefit of all contracts:
 - (i) entered into or held by the relevant Grantor in connection with the Secured Property; or
 - (ii) entered into in exercise of the powers given by this document;
- (n) **(make debtors bankrupt)** make debtors bankrupt and wind up companies or other applicable entities and do everything in connection with any bankruptcy or winding up that the Receiver thinks desirable to recover or protect Secured Property;
- (o) **(perform undertakings)** do everything necessary to perform any undertaking of any Grantor in this document;
- (p) **(receive money)** receive all money or other property payable or deliverable to any Grantor from the Secured Property;
- (q) **(desirable or incidental matters)**
 - (i) do or cause to be done everything that the Receiver thinks desirable in the interests of the Secured Party; and
 - (ii) do anything incidental to the exercise of any other power;
- (r) **(take legal proceedings)** take proceedings (including in the name of any relevant Grantor) in connection with any of the above; and
- (s) **(delegate)** with the Secured Party's consent delegate any of the powers given to the Receiver by this clause to any person.

11. PROTECTION OF SECURED PARTY AND APPOINTEES

11.1 Protection of Secured Party and Receiver

- (a) The Secured Party is not obliged to, but may, do the following:
 - (i) notify any debtor or member of any Grantor or any other person of this document; or
 - (ii) enforce payment of any money payable to any Grantor, or take any step or proceeding for any similar purpose.
- (b) None of the Secured Party, any of its Authorised Representatives or any Receiver is liable for any omission or delay in exercising any power, right, discretion or remedy

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under this document or for any involuntary loss or irregularity that may occur in relation to the exercise or non-exercise of any of them except to the extent that it is a direct and foreseeable result of its own fraud, gross negligence or wilful misconduct.

11.2 **Conflict of interests**

The Secured Party, an Authorised Representative or agent of the Secured Party, an Attorney, Receiver or other person appointed by the Secured Party under this document may exercise or agree to exercise a power given by this document or by law even though that person may have a conflict of interests in exercising the power.

11.3 **Liability for loss**

(a) None of the Secured Party, an Authorised Representative or agent of the Secured Party, an Attorney, a Receiver or any other person appointed by the Secured Party under this document is liable for any loss that any Grantor suffers as a direct or indirect result of:

- (i) the exercise or attempted exercise of, or failure to exercise, any of its rights contained in this document; and
- (ii) any release or dealing with any other Guarantee or Security Interest (including any prejudice to or loss of the relevant Grantor's rights of subrogation),

except to the extent that such loss is a direct and foreseeable result of its own fraud, gross negligence or wilful misconduct.

(b) If the Secured Party, any agent of the Secured Party or a Receiver enters into possession of Secured Property, none of the Secured Party, any of its Authorised Representatives or agents, any Attorney or any Receiver is liable:

- (i) to account as secured party in possession or for anything except actual receipts; or
- (ii) for any loss on realisation or for any default or omission for which a secured party in possession might be liable, except to the extent that it is a direct and foreseeable result of its own fraud, gross negligence or wilful misconduct.

12. **PROTECTION OF THIRD PARTIES**

12.1 **Dealings under this document**

A purchaser or other party to a disposal or dealing in attempted exercise of a power contained in this document is not:

- (a) bound to enquire whether an Event of Default has occurred, whether this document has become enforceable, whether a Receiver has been properly appointed or about the propriety or regularity of a sale, disposal or dealing; or
- (b) affected by notice that a sale, disposal or dealing is unnecessary or improper.

Despite any irregularity or impropriety in a sale, disposal or dealing, it is to be treated, for the protection of the purchaser or other party to the disposal or dealing, as being authorised by this document and valid.

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12.2 Receipts

A receipt that the Secured Party, one of its Authorised Representatives or agents or a Receiver gives for any money payable to or receivable by the Secured Party or the Receiver because of this document will:

- (a) relieve the person paying or handing over money or other property from all liability:
 - (i) for the application (or any loss or misapplication) of the money or other property;
 - (ii) to enquire whether the Secured Money has become payable; and
 - (iii) (where appropriate) as to the propriety or regularity of the appointment of the Receiver; and
- (b) discharge the person paying that money from its liability to pay that money.

13. APPLICATION OF MONEY

13.1 Order

All moneys received or recovered by the Secured Party or any Receiver pursuant to this document shall be applied in the order and manner specified by the Security Trust Deed.

13.2 Only actual receipts credited

In applying any money towards the Secured Money, each Grantor's account will be credited only with the amount of the money that the Secured Party actually receives for that purpose. The credit will date from the time of receipt.

13.3 Compensation

If any compensation becomes payable for the Secured Property, the Secured Party may:

- (a) apply the sum received on account of any compensation, at the Secured Party's option, in or towards repayment of the Secured Money;
- (b) make, enforce, settle or compromise any claims relating to compensation; and
- (c) execute any necessary assurances and releases in the names of the relevant Grantor and the Secured Party.

If any compensation comes into the hands of any Grantor before a final irrevocable discharge of this document, the applicable Grantor must immediately pay it to the Secured Party.

13.4 Certificates and disputes

- (a) The Secured Party may rely on a certificate issued by any person who claims to be entitled to any money received from the exercise of any right in relation to the Secured Property which states that the applicable Grantor owes it a certain amount of money, without making any further enquiry.
- (b) If there is any dispute between any persons (other than the Secured Party) regarding an entitlement to receive any money received from the exercise of any right in relation to the Secured Property, the Secured Party may pay that money

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into court, and after doing so does not have any further obligation in respect of that money.

13.5 No interest

The Secured Party is not obliged to pay interest to any person on any money received from the exercise of any right in relation to the Secured Property.

13.6 Payment into bank account

The Secured Party or the Receiver may pay any money to the credit of a bank account in the name of a person to whom it is obliged to pay any money received from the exercise of any right in relation to the Secured Property, and having done so is under no further liability in respect of that money.

13.7 Amounts contingently due

(a) If any part of the Secured Money is contingently owing to the Secured Party when money is being applied under clause 13.1 the Secured Party or Receiver may:

- (i) retain an amount equal to the amount contingently owing, or any part of it; and
- (ii) put that amount in an interest-bearing account, payable at call.

(b) If the amount which is contingently owing:

- (i) becomes payable; or
- (ii) ceases to be contingently owing,

the Secured Party or Receiver must apply the amount retained (and any interest earned on it) in accordance with clause 13.1.

14. CONTINUING SECURITY

14.1 Continuity

Each Security Interest granted in clause 2.1:

- (a) is a continuing security, and remains in full force until a final irrevocable discharge of that Security Interest is given to each Grantor under clause 16 despite any transaction or other thing (including a settlement of account or intervening payment); and
- (b) will apply to the present and future balance of the Secured Money.

14.2 Limitations on Grantor's rights

Until the Secured Money has been irrevocably paid and discharged in full, the Grantors may not:

- (a) share in any Guarantee, Security Interest or money received or receivable by the Secured Party in relation to the Secured Money or stand in the place of the Secured Party in relation to any Guarantee, Security Interest or right to receive money;
- (b) in reduction of its liability under this document, raise a defence, set off or counterclaim against the Secured Party or claim a set off or make a counterclaim against the Secured Party; or

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- (c) claim to be entitled by way of contribution, indemnity, subrogation, marshalling or otherwise to the benefit of any document or agreement to which the Secured Party is a party.

14.3 **No marshalling**

The Secured Party is not under any obligation to marshal or appropriate in favour of any Grantor or to exercise, apply, perfect or recover any Security Interest that the Secured Party holds at any time or any funds or property that the Secured Party may be entitled to receive or have a claim on.

14.4 **Effect of Insolvency Event**

- (a) If an Insolvency Event has occurred in relation to an Obligor, any amount paid by that Obligor (**relevant payment**) will only be applied against any Secured Money if:
- (i) the Secured Party forms the opinion in good faith (which will be conclusively binding on the relevant Grantor) that it will not be required to pay the relevant payment to any person under any law relating to bankruptcy, winding up or the protection of creditors; or
 - (ii) a final judgment is given by a court of competent jurisdiction in favour of the Secured Party that it is not required to pay the relevant payment to any person under any law relating to bankruptcy, winding up or the protection of creditors.
- (b) If an amount is applied against any Secured Money and the Secured Party pays or determines that it is obliged to pay the relevant amount to any person under any law relating to bankruptcy, winding up or the protection of creditors:
- (i) the Secured Party's rights are to be reinstated and will be the same in relation to that amount as if the application, or the payment or transaction giving rise to it, had not been made; and
 - (ii) each Grantor must immediately do anything (including the signing of documents) required by the Secured Party to restore to the Secured Party any Guarantee or Security Interest to which it was entitled immediately before that application or the payment or transaction giving rise to it.
- (c) Any discharge or release between the Secured Party and any Grantor is subject to reinstatement of the Secured Party's rights under this subclause.

15. **INDEMNITIES**

15.1 **Indemnities**

Clauses 9.5 (*Currency indemnity*), 14 (*Increased Costs*), 15 (*Recovery of GST*) and 16 (*Indemnity*) of the Loan Agreement (Citizen) apply to this document as if set out in full in this document, mutatis mutandis.

15.2 **Indemnity for exercise of rights or proceedings**

To the extent permitted by law, each Grantor must indemnify each of the Secured Party, each Authorised Representative and agent of the Secured Party, each Receiver and Attorney of a Grantor and any other person appointed under this document, the Corporations Act or the Companies Act by or on behalf of the Secured Party as secured party under this document against, and must pay each of them on demand the amount of

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all losses, liabilities, costs, expenses and Taxes (other than Excluded Taxes) that they each incur:

- (a) (directly or indirectly) in the exercise or attempted exercise of any of the powers, rights, discretions or remedies (express or implied) vested in them under this document, the Corporations Act or the Companies Act; and
- (b) in connection with all proceedings, expenses, claims and demands in relation to anything done or omitted in any way relating to Secured Property,

including legal expenses on a full indemnity basis and expenses incurred in engaging consultants except to the extent that any such losses, liabilities, costs, expenses and Taxes are a direct and foreseeable result of the fraud, gross negligence or wilful misconduct of that person.

15.3 Recovery from Secured Property

A person who is entitled to be indemnified for a loss, liability, expense or Tax under clause 15.1 and 15.2 may recover the amount to be indemnified direct from the Secured Property.

16. DISCHARGE

The Secured Party must at the request and cost of a Grantor reconvey, surrender or release any remaining Secured Property (as appropriate) to the applicable Grantor and the Secured Property will then be discharged from this document:

- (a) when the Secured Party is satisfied that:
 - (i) all the Secured Money has been irrevocably paid and discharged in full or satisfied in accordance with this document and (without limiting this) that clause 14.4 will not later apply; and
 - (ii) no amount remains contingently payable or may become payable on the security of this document (including under an indemnity); and
- (b) on payment or retention of all expenses incurred by or payable to the Secured Party, its Authorised Representatives or any Receiver or Attorney.

Any discharge is subject to clause 14.4.

17. CONFIDENTIALITY

17.1 General confidentiality

Clause 17 (*Confidentiality*) of the Loan Agreement (Citizen) applies to this document as if set out in full in this document.

18. NOTICES

Clause 20 (*Notices*) of the Loan Agreement (Citizen) apply to all notices, consents or other communications under this document.

19. AMENDMENT AND ASSIGNMENT

19.1 Amendment

This document can only be amended or replaced by another document executed by the parties.

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19.2 **Assignment**

- (a) The Grantors may only assign, encumber, declare a trust over or otherwise deal with its rights under any Transaction Document with the written consent of the Secured Party.
- (b) The Secured Party may assign, encumber, declare a trust over or otherwise deal with its rights under any Transaction Document without the consent of any Grantor, and may disclose to any potential holder of the right, or an interest in the right, any information relating to any Transaction Document or any party to any of them.
- (c) After any disposal by the Secured Party of its rights under the Security Interests granted in clause 2.1, the Secured Party may serve a Participant Change Notice on a Grantor and the relevant Grantor must agree to the novation of the Sponsorship Agreement to a Controlling Participant acceptable to the Secured Party.

20. **GENERAL**

20.1 **Governing law**

- (a) This document is governed by the laws of New South Wales.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of the State of New South Wales, and any court that may hear appeals from any of those courts, for any proceedings in connection with any Transaction Document.
- (c) Each Grantor irrevocably waives:
 - (i) any objection to the venue of any proceedings on the ground that they have been brought in an inconvenient forum; and
 - (ii) any immunity from set off, suits, proceedings and execution to which it or any of its property may now or in the future be entitled under any applicable law.
- (d) Each Grantor appoints Australian Ilmenite Resources Pty Limited (controller acting) of Unit 8, 4 Shepherd Street, Darwin, NT, 0800 or GPO Box 947, Darwin, NT 0801 as its agent to receive service of process for any proceedings in connection with any Transaction Document. Each Grantor undertakes to maintain this appointment until it otherwise notifies the Secured Party, and agrees that any process served on that person is taken to be served on it.

20.2 **Liability for own expenses**

Each Grantor is liable for its own costs and expenses in complying with this document, including where it does so at the Secured Party's request or for the Secured Party's benefit.

20.3 **Giving effect to this document**

- (a) The Grantors must do anything (including executing any Transfer and other transfer in blank, or any other document, and perfecting and protecting any Security Interest intended to be created by or pursuant to this document), and must ensure that its employees and agents do anything, that the Secured Party may reasonably require to:
 - (i) give full effect to this document; or

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- (ii) more fully secure the rights, remedies and powers of the Secured Party under this document or to enable the Secured Party to exercise those rights, remedies and powers,

including giving directions to any Controlling Participant in respect of any CHESS Securities in the Secured Property.

- (b) The Secured Party may, at the relevant Grantor's cost, do anything which that Grantor should have done under this document if the relevant Grantor does not do so promptly or, if in the Secured Party's opinion, that Grantor does not do so properly.

20.4 **Authority to register and waiver of right to receive verification statements**

Each Grantor acknowledges that the Secured Party may, at the relevant Grantors cost, register one or more financing statements in relation to its Security Interests. If permitted by the PPSA, each Grantor waives its right under section 157 of the PPSA to receive notice of any verification statement relating to the registration of any such financing statement or any related financing change statement.

20.5 **Variation of rights**

The exercise of a right partially or on one occasion does not prevent any further exercise of that right in accordance with the terms of this document. Neither a forbearance to exercise a right nor a delay in the exercise of a right operates as an election between rights or a variation of the terms of this document.

20.6 **Operation of this document**

- (a) Subject to clause 20.6(b), the Transaction Documents contain the entire agreement between the parties about their subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by the Transaction Documents and has no further effect.
- (b) Any right that the Secured Party may have under the Transaction Documents is in addition to, and does not replace or limit, any other right that the Secured Party may have.
- (c) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

20.7 **Operation of indemnities**

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) The Secured Party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.
- (c) If a provision of this document is expressed to:
 - (i) indemnify;
 - (ii) exclude or limit any liability of; or
 - (iii) otherwise benefit,

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a person who is not a party to this document, the Grantors agree that the Secured Party holds the benefit of that indemnity, exclusion, limitation or other benefit for that person and may enforce this document on their behalf and for their benefit.

20.8 **Consents**

Where this document contemplates that the Secured Party may agree or consent to something (however it is described), the Secured Party may:

- (a) agree or consent, or not agree or consent, in its absolute discretion; and
- (b) agree or consent subject to conditions,

unless this document expressly contemplates otherwise.

20.9 **Statements by Secured Party**

A statement by an Authorised Representative of the Secured Party on any matter relating to any Transaction Document (including any amount owing by any Grantor) is conclusive unless clearly wrong on its face.

20.10 **Set-off**

If an Event of Default occurs and is continuing, the Secured Party, without notice to any Grantor, may combine any account that a Grantor holds at any branch or office (in Australia, Singapore or elsewhere) of the Secured Party with, or set off any amount in any currency that is or may become owing in any currency by the Secured Party to a Grantor against, any amount owing by a Grantor to the Secured Party under the Transaction Documents. For this purpose the Secured Party may:

- (a) change the terms (including the repayment date) of any account or other payment obligation between the parties;
- (b) convert amounts into different currencies in accordance with the Secured Party's usual practice; and
- (c) do anything (including execute any document) in the name of a Grantor that the Secured Party considers necessary or desirable.

This subclause overrides any other document or agreement to the contrary.

20.11 **No merger**

Nothing in this document merges with any other Security Interest, or any Guarantee, judgment or other right or remedy, that the Secured Party may hold at any time.

20.12 **Exclusion of contrary legislation**

Any legislation that affects an obligation of any Grantor in a manner that is adverse to the interests of the Secured Party, or adversely affects the exercise by the Secured Party of a right or remedy, under or relating to this document is excluded to the full extent permitted by law.

20.13 **Counterparts**

This document may be executed in counterparts. Delivery of a counterpart of this document by email attachment or fax constitutes an effective mode of delivery.

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20.14 **Execution by fewer than all parties**

This document binds each of the persons executing it even if:

- (a) one or more of the persons named in this document as the Grantor does not execute this document or is not bound or ceases to be bound by this document; or
- (b) the Secured Party does not execute or only subsequently executes this document.

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SCHEDULE 1

PRESENT SECURITIES

CHESS SECURITIES

Grantor	Issuer of the Marketable Security	Number and Class of the Marketable Security	Holder Identification or Shareholder Reference Number:
Citizen International Investment Pte. Ltd.	Sherwin Iron Ltd ACN 009 075 861	409,488,732 ordinary shares	[•]
Citizen International Investment Limited	Sherwin Iron Ltd ACN 009 075 861	92, 951,431 ordinary shares	[•]
Jerry Ren	Sherwin Iron Ltd ACN 009 075 861	94,194,798 ordinary shares	[•]

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EXECUTED and delivered as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

SIGNED, SEALED AND DELIVERED FOR THE TRUST COMPANY (AUSTRALIA) LIMITED by its attorney under power of attorney in the presence of:

Marian Pond
Signature of witness

Marian Pond
Name

[Signature]
Signature of attorney

John Newby
Head of Property and Infrastructure Custody Services
Name

12 July 2010
Date of power of attorney

GRANTORS

Signed, Sealed and Delivered By

[Signature] JERRY REN



as its attorney and)

for and on behalf of)

CITIZEN INTERNATIONAL INVESTMENTS PTE. LTD.)

under a Power of Attorney dated 20 December 2013)

in the presence of:)

Marian Pond

Name of Witness:

Marian Pond

SIGNED SEALED AND DELIVERED by)

[Signature]
JERRY REN



for and on behalf of)

CITIZEN INTERNATIONAL INVESTMENTS LIMITED)

in the presence of:)


Marian Pond

Name of Witness:

Marian Pond

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SIGNED, SEALED and DELIVERED by
JERRY REN in the presence of:


Signature of party JERRY REN


Signature of witness

Marian Pond
Name

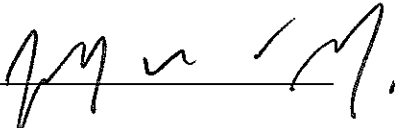
225 George Street, Sydney, NSW, 2000
Address of witness

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Annexure B – Singapore Debenture

This is Annexure B of 40 pages referred to in Form 603 Notice of initial substantial holder by CPPIB Credit Investments Inc.

Signed



Name:

Capacity:

Jeff Donahue
Authorized Signatory

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Cherokee – Singapore Debenture

Each entity listed in Schedule 1

and

The Trust Company (Australia) Limited
as Security Trustee

31 December 2013

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THIS DEED is made on 31 December 2013

BETWEEN:

- (1) **Each entity listed in Schedule 1** (each a **Grantor** and together the **Grantors**); and
- (2) **The Trust Company (Australia) Limited** (the **Security Trustee**).

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this deed:

Attorney means an attorney appointed under a Transaction Document and any attorney's substitute or delegate.

Authorised Representative means:

- (a) for the Security Trustee:
 - (i) a company secretary or director of the Security Trustee or an employee of the Security Trustee whose title includes the word "Chief Executive Officer", "chief", "manager", "director", "counsel", "chief" or "head" or "president";
 - (ii) a person who is acting temporarily in one of those positions; or
 - (iii) a person, or a person holding a position, nominated by the Security Trustee to a Grantor; and
- (b) for a Grantor, a person nominated by that Grantor to the Security Trustee in a notice that is accompanied by, and certifies the correctness of, a copy of the signature of that person and in respect of which:
 - (i) the identity of that person has been verified to the satisfaction of the Security Trustee in order to manage the Security Trustee's anti-money laundering, counter-terrorism financing or economic and trade sanctions risk or to comply with any AML CTF Laws; and
 - (ii) the Security Trustee has not received notice of revocation of the appointment.

CLPA means the Conveyancing and Law of Property Act, Chapter 61 of Singapore.

Collateral Security means a Security Interest or Guarantee (other than the Security Interests granted in clause 2.1) from any person that secures or otherwise provides for payment of any Secured Money.

Companies Act means the Companies Act, Chapter 50 of Singapore.

Control Event means:

- (a) in respect of any Secured Property that is, or would have been, a Revolving Asset:
 - (i) a Grantor breaches, or attempts to breach clause 3.1 in respect of the Secured Property or takes any step which would result in it doing so; or

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- (ii) a person takes a step (including signing a notice or direction) which may result in Taxes, or any amount owing to an authority, ranking ahead of the security interest in Secured Property under this deed; or
- (iii) distress is levied or a judgment, order or Security Interest is enforced or a creditor takes any step to levy distress or enforce a judgment, order or Security Interest, over the Secured Property; or
- (iv) the Security Trustee gives a notice to a Grantor that the Secured Property is not a Revolving Asset. (However, the Security Trustee may only give a notice if the Security Trustee reasonably considers that it is necessary to do so to protect its rights under this deed or if an Event of Default is continuing); or
- (b) in respect of all Secured Property that is, or would have been, Revolving Assets:
- (i) a voluntary administrator, liquidator, provisional liquidator or judicial manager is appointed in respect of a Grantor or the winding up of a Grantor begins; or
- (ii) a receiver, receiver and manager is appointed to any Grantor's property; or
- (iii) something having a substantially similar effect to paragraph (i) or (ii) happens under any law.

Distribution Rights means, in respect of such relevant security, all dividends, distributions and other income paid or payable, together with all shares or other property derived from, and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to such relevant security (whether by way of conversion, redemption, bonus, preference, option or otherwise).

Event of Default means an event or circumstance described in clause 8.1.

Finance Party means the Security Trustee and the Lender.

Floating Charge Asset means an asset charged under clause 2.1(b).

Insurance means any contract or policy of insurance that is taken out by or on behalf of a Grantor or in which a Grantor has an interest.

Lender means CPPIB Credit Investments Inc.

Loan Agreement (Citizen) means the agreement dated on or about the date of this deed and made between, among others, each of the Grantors, the Security Trustee and the Lender.

Marketable Security means any share, debenture, stock or bond, unit in a unit trust, or other investment instrument and relevant rights as described in clause 2.1(a)(v).

Obligor shall be as defined in the Loan Agreement (Citizen).

Potential Event of Default means an event or circumstance which, with the passage of time, the giving of notice, the making of any determination or any combination of any of them, would become an Event of Default.

Proceeds Account means each account of a Grantor for the purposes of clause 5.3(k) at any bank approved by the Security Trustee.

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Receiver means a receiver or a receiver and manager.

Revolving Asset means any Secured Property which is:

- (a) inventory;
- (b) a negotiable instrument;
- (c) machinery, plant, or equipment which is not inventory and has a value of less than S\$1,000 or its equivalent;
- (d) money (including money withdrawn or transferred from an account with a bank or other financial institution).

Secured Money means all amounts (including damages) that are payable, owing but not payable, or that otherwise remain unpaid by any and all Obligors to any Finance Party on any account at any time:

- (a) whether present or future, actual or contingent;
- (b) whether incurred alone, jointly, severally or jointly and severally;
- (c) whether the Obligor is liable on its own account or for the account of, or as surety for, another person and without regard to the capacity in which the Obligor is liable;
- (d) whether due to the Finance Party alone or with another person;
- (e) whether the Finance Party is entitled for its own account or for the account of another person;
- (f) whether arising from a banker and customer relationship or any other relationship;
- (g) whether originally contemplated by the Obligor or the Finance Party or not;
- (h) whether the Finance Party is the original person in whose favour any of the above amounts were owing or an assignee and, if the Finance Party is an assignee:
 - (i) whether or not the Obligor consented to or knew of the assignment;
 - (ii) no matter when the assignment occurred; and
 - (iii) whether or not the entitlements of that original person were assigned with the Security Interests granted in clause 2.1; and
- (i) if determined pursuant to any award, order or judgment against the Obligor, whether or not the Obligor was a party to the court proceedings, arbitration or other dispute resolution process in which that award, order or judgment was made.

Secured Property means all of a Grantor's present and after-acquired property. It includes anything in respect of which a Grantor has at any time a sufficient right, interest or power to grant a Security Interest.

Security Trust means the trust constituted under clause 2 of the Security Trust Deed.

Security Trust Deed means the security trust deed dated on or before the date of this deed between, among others, the Grantors and the Security Trustee.

1.2 Terms defined in the Loan Agreement (Citizen)

Terms defined in the Loan Agreement (Citizen) have the same meaning when used in this deed.

1.3 Clauses in the Loan Agreement (Citizen)

The provisions of clauses 1.2 (**Rules for interpreting this deed**) and 1.4 (**Non Business Days**) of the Loan Agreement (Citizen) apply to this deed as if set out in full in this deed.

1.4 Multiple parties

If a party to this deed is made up of more than one person, or a term is used in this deed to refer to more than one party, then unless otherwise specified in this deed:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or that term is a reference to each of those persons separately, so that (for example), a representation, warranty or undertaking relates to each of them separately.

1.5 Security Trustee's limitation of liability

The parties acknowledge that the Security Trustee is entering into this deed in its capacity as trustee of the Security Trust only and not in any other capacity. Clause 4 of the Security Trust Deed is incorporated into this deed as if set out in full in this deed.

2. SECURITY

2.1 Charging clause

- (a) (**Fixed Charges**) Each Grantor as legal and/or beneficial owner and as continuing security for the Secured Money hereby charges and agrees to charge and assigns and agrees to assign absolutely in favour of the Security Trustee all the following save for the Revolving Assets:
 - (i) by way of a first fixed charge, all book and other debts, trade receivables and monetary claims now or at any time hereafter due or owing to the Grantors together with the full benefit of all guarantees and securities therefor and all liens, reservations of title, rights of tracing and other rights enabling the Grantors to enforce any such debts or claims;
 - (ii) by way of a first fixed charge, all present and future bank accounts, cash at bank and credit balances of the Grantors with any bank or other person whatsoever and all rights relating or attaching to them (including the right to interest);
 - (iii) by way of a first legal mortgage, all its freehold and leasehold property (including all buildings erected thereon and all fixtures of whatever kind affixed thereto), plant, machinery, equipment and fittings and all its other fixed assets or stock in trade or inventories, wheresoever situate, now or hereafter owned by or belonging to or acquired by the Grantors (including those now beneficially owned by but not vested in the Grantors);
 - (iv) by way of a first fixed charge, all its uncalled capital, goodwill and all patents, patent applications, trademarks, trademark applications, trade names, registered designs and copyrights and all licences and ancillary and

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connected rights relating to the intangible property (both present and future) of the Grantors or in which it may have an interest and the benefit of all present and future agreements relating to the use of or licensing or exploitation of any such rights (owned by the Grantors or others) and all present and future fees, royalties or similar income derived from or incidental to any of the foregoing in any part of the world;

- (v) by way of a first fixed charge, (A) all its stocks, shares, bonds, notes, warrants and other securities (including book entry securities) of any kind whatsoever whether marketable or otherwise and all its other interests (including but not limited to loan capital) both present and future in any company, firm, consortium or enterprise wheresoever situated, (B) all stocks, shares, rights, money or property accruing thereto or offered at any time by way of conversion, redemption, bonus, preference, option or otherwise in respect thereof and all Distribution Rights attaching to or arising from or in respect of any of the securities referred to in (A) and (B);
 - (vi) by way of a fixed first charge, all its rights and interests in, and claims under, all policies of insurance and assurance held, or to be held by, or insuring to the benefit of, the Grantors and the benefit of all rights and claims to which the Grantors are now, or may be, entitled under any contracts; and
 - (vii) by way of a fixed first charge, the benefit of all consents and agreements held by the Grantors in connection with the use of any of its assets and property.
- (b) **(Floating Charge)** As further security for the punctual payment of the Secured Money, the Grantors charge in favour of the Security Trustee by way of first floating charge all its (i) Revolving Assets; and (ii) present and future assets not effectively charged by way of first fixed charge under clause 2.1(a).
- (c) **(Conversion of Floating Charge)** The Security Trustee may, by notice to the Grantors, convert the floating charge created under clause 2.1(b) into a fixed charge as regards those assets which it specifies in the notice, if
- (i) an Event of Default has occurred, or
 - (ii) it reasonably considers it desirable to do so in order to protect or preserve the Security Interest over the Secured Property and/or the priority thereof, and

the Grantors shall promptly following request by the Security Trustee execute a fixed charge or legal assignment over those assets in the form which the Security Trustee requires.

- (d) **(Automatic Conversion of Floating Charge)** Notwithstanding anything contained, if a Control Event occurs in respect of any Secured Property, then automatically:
- (i) that Secured Property is not (and immediately ceases to be) a Floating Charge Asset;
 - (ii) any floating charge over that Secured Property immediately operates as a fixed charge; and
 - (iii) the Grantors may no longer deal with the Secured Property under clause 3.2.

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2.2 **Priority**

- (a) The Security Interests granted in clause 2.1(a) are intended to take effect as a first ranking security subject only to those Permitted Security Interests which the Security Trustee (acting on the instructions of the Lender) agrees in writing rank in priority to them.
- (b) The floating charge created by the Grantors pursuant to clause 2.12.1(b) ranks behind all the fixed charges created by the Grantors pursuant to clause 2.1(a).

2.3 **Acknowledgment of no subordination**

Each Grantor acknowledges that the Security Trustee has not agreed to subordinate its Security Interests in the Secured Property to any other interest in the Secured Property, except to the extent (if any) expressly provided by a Transaction Document.

2.4 **Collateral Security**

The Security Interests granted in clause 2.1 are collateral to and secure the same money as is secured by the Collateral Securities.

2.5 **No assignment of obligations**

To the extent that the grant of any security interest under clause 2.1 operates as a transfer, each Grantor will at all times remain liable to perform and observe all its duties and obligations in connection with that Secured Property and the Security Trustee will not have any obligation or liability to any counterparty or to any other person to perform any of those duties and obligations.

3. **DEALINGS WITH SECURED PROPERTY**

3.1 **Restricted dealings**

- (a) Subject to clause 3.1(b), no Grantor must do or agree to do, any of the following unless it is permitted to do so by clause 3.2 or another provision in a Transaction Document:
 - (i) create or allow another interest in any Secured Property other than a Permitted Security Interest; or
 - (ii) dispose, sell, transfer, lease, lend or part with possession, of any Secured Property, other than by way of a Permitted Security Interest.
- (b) Where by law the Security Trustee may not restrict the creation of any Security Interest in an asset ranking after the Security Interests granted in clause 2.1:
 - (i) clause 3.1(a) will not restrict that creation; and
 - (ii) each Grantor must ensure that before that Security Interest is created the holder of that Security Interest enters into a deed of priority in form and substance satisfactory to the Security Trustee. Each of the Security Trustee and the Lender is not required to provide or make available any advance or financial accommodation to the Grantors until the deed of priority is entered into on terms satisfactory to the Security Trustee.

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3.2 Permitted dealings

- (a) Each Grantor may do any of the following in the ordinary course of its ordinary business unless it is prohibited from doing so by another provision in a Transaction Document:
 - (i) create or allow another interest in, or dispose or part with possession of, any Secured Property which is a Revolving Asset; or
 - (ii) withdraw or transfer money from an account with a bank or other financial institution.
- (b) Each Grantor must give the Security Trustee:
 - (i) prompt notice of any transfer of Secured Property or an interest in it in breach of this clause 3; and
 - (ii) any information requested by the Security Trustee in relation to the transferee to enable the Security Trustee to perfect the Security Interests granted in clause 2.1 as against the transferee.
- (c) Each Grantor acknowledges that any notification under clause 3.2(b) does not cure the breach of the undertaking in clause 3.2(a).

3.3 Inventory

Any inventory which is not, or ceases to be, a Revolving Asset is specifically appropriated to a security interest under this deed. A Grantor may not remove it without obtaining the specific and express authority of the Security Trustee to do so.

4. REPRESENTATIONS AND WARRANTIES

4.1 General representations and warranties

Each Grantor represents and warrants to the Security Trustee in the terms set out in clause 11 (Representations and warranties) of the Loan Agreement (Citizen).

4.2 Representations and warranties regarding Secured Property

Each Grantor represents and warrants to the Security Trustee that:

- (a) **(Secured Property)**
 - (i) it is the sole legal and beneficial owner of the Secured Property; and
 - (ii) the Security Interests granted in clause 2.1 are an effective security in the Secured Property, except to the extent (if any) set out in any Transaction Document or that the Security Trustee may otherwise agree;
- (b) **(no other interest)** no other person has any interest in or other right over the Secured Property except:
 - (i) to the extent (if any) set out in any Transaction Document;
 - (ii) Permitted Security Interests; or
 - (iii) as otherwise agreed by the Security Trustee (acting on the instructions of the Lender);

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- (c) **(all action taken)** all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consent) in order:
- (i) to enable it lawfully to enter into and deliver, exercise its rights and perform and comply with its obligations under this deed;
 - (ii) to ensure that those obligations are legally binding; and
 - (iii) to ensure that the security created by this deed has the priority specified herein, have been taken, fulfilled and done;
- (d) **(no violation)** its entry into and delivery, exercise of its rights, and/or performance of or compliance with its obligations under this deed do not and will not violate (i) any law or regulation or judicial order to which it is subject or (ii) its constitutional documents; or (iii) any agreement or other document to which it is a party or which is binding on it or its assets, and do not and will not result in the existence of, or oblige it to create, any security over those assets; and
- (e) **(no equities)** so far as the Grantors are aware there are no equities in existence between any party and the Grantors which may act to the detriment of the Finance Parties.

4.3 **Repetition of representations and warranties**

The representations and warranties in this clause are taken to be repeated on each date that any representation and warranty in the Loan Agreement (Citizen) is repeated, on the basis of the facts and circumstances as at that date.

4.4 **No representations by the Security Trustee**

Each Grantor acknowledges that it has not relied and will not rely on any financial or other advice, representation, statement or promise provided or made by or on behalf of the Security Trustee in deciding to enter into this deed or to exercise any right or perform any obligation under it.

5. **GRANTORS' UNDERTAKINGS**

5.1 **General undertakings**

Each Grantor must:

- (a) **(obligation to pay)** punctually pay the Secured Money when it becomes payable in accordance with the terms of any written agreement between the relevant Grantor and the Security Trustee or, in the absence of any agreement or after default under any agreement, on demand by the Security Trustee (acting on the instructions of the Lender);
- (b) **(perform obligations)** perform all its other obligations under the other Transaction Documents to which it is a party;
- (c) **(keep books)** keep proper books and financial records, and permit the Security Trustee or its representatives on request to examine and take copies of them;
- (d) **(amendment to Memorandum and Articles of Association)** not amend or alter any provisions of its Memorandum and Articles of Association relating to its borrowing powers, powers to guarantee and charge its assets as security for any third party borrowings and its principal business activities without the prior written consent of the Security Trustee;

- (e) **(no administrator)** not appoint an administrator without notice to the Security Trustee;
- (f) **(registration and stamping)** at its own cost ensure that:
- (i) this deed is immediately registered with any government agency specified by the Security Trustee if the Security Trustee (acting on the instructions of the Lender) determines that registration is necessary to perfect the Security Interests granted in clause 2.1 or to protect the rights or priority of the Security Trustee; and
 - (ii) this deed is stamped for the proper amount within the period provided by law in each state and territory of Australia, Singapore and such relevant jurisdiction in which this deed is required to be stamped;
- (g) **(change in name or other details)** give the Security Trustee:
- (i) at least 30 Business Days' prior notice of any change to its name or any other Obligor, together with details of the proposed new name; and
 - (ii) at least 30 Business Days' notice before anything happens in respect of any Obligor or any Secured Property that would cause any information in a financing statement granted in clause 2.1 to be different if it were re-registered;
- (h) **(registration details)** give the Security Trustee all information that the Security Trustee needs in order to ensure that any registration of the Security Interests granted in clause 2.1 on any register that the Security Trustee (acting on the instructions of the Lender) chooses is, and remains, fully effective or perfected (or both), and that those Security Interests have the priority contemplated by clause 2.2; and
- (i) **(Loan Agreement (Citizen) undertakings)** comply with each of the terms set out in clause 12 (Undertakings) of the Loan Agreement (Citizen).

5.2 **Processed or commingled goods**

The Grantors must not, without the Security Trustee's consent, permit any Secured Property:

- (a) to become a fixture or an accession to anything that is not also Secured Property; or
- (b) to be manufactured, processed, assembled or commingled with anything that is not also Secured Property.

5.3 **Other undertakings regarding Secured Property**

Each Grantor must:

- (a) **(outgoings)**
 - (i) punctually pay all outgoings (including rent and Taxes) payable by it, except to the extent that:
 - (A) these are being diligently contested in good faith and by appropriate proceedings;
 - (B) it has made adequate reserves for them; and

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- (C) failure to pay them will not have a Material Adverse Effect on it or prejudice the Secured Property;
 - (ii) pay the contested amount after the final determination or settlement of the relevant contest; and
 - (iii) on request by the Security Trustee (acting on the instructions of the Lender), immediately hand to the Security Trustee evidence of every payment covered by this undertaking or required under this deed;
- (b) **(maintenance)**
 - (i) maintain the Secured Property in a good and substantial state of repair and in good working order and condition; and
 - (ii) immediately remedy every defect in the repair and condition of the Secured Property (fair wear and tear excepted) if required to do so by the Security Trustee (acting on the instructions of the Lender);
- (c) **(not alter Secured Property)** ensure that:
 - (i) no material alteration is made to the Secured Property; and
 - (ii) no material variation, waiver, release, rescission, repudiation or termination is made to or in connection with any document or agreement included in or relating to the Secured Property,

except to the extent (if any) permitted under this deed or with the consent of the Security Trustee (acting on the instructions of the Lender);
- (d) **(acquisition of additional property)**
 - (i) immediately notify the Security Trustee if it becomes bound to complete the acquisition of any:
 - (A) real property (freehold or leasehold); or
 - (B) Marketable Securities outside the ordinary course of its ordinary business; and
 - (ii) give the Security Trustee promptly on request a list as required by the Security Trustee (acting on the instructions of the Lender) of all Marketable Securities held by it;
- (e) **(possession)**
 - (i) if it receives any deed or document of title relating to any Secured Property, or if it receives any negotiable or other instrument or security, immediately hand it to the Security Trustee together with duly executed blank transfers, but it is not required to do this for any Marketable Securities and any negotiable or other instruments or securities acquired in the ordinary course of its ordinary business except if required by the Security Trustee (acting on the instructions of the Lender); and
 - (ii) do anything required by the Security Trustee (acting on the instructions of the Lender) to ensure that the Security Trustee's Security Interest in any Marketable Security, instrument or security (negotiable or otherwise) is recorded by any relevant clearing house or securities depository and, in the case of a Marketable Security, on the records maintained by or on

behalf of the relevant issuer, or on the records of any sponsor, nominee or agent that holds a Marketable Security for the applicable Grantor;

- (f) **(Authorisations)** obtain, maintain and renew at the proper times all Authorisations necessary or desirable in relation to its business and comply with any conditions to which any such Authorisation is expressed to be subject;
- (g) **(calls on capital)** not, without the Security Trustee's consent (acting on the instructions of the Lender):
- (i) call up or receive in advance of calls any of the uncalled capital secured by this deed; and
 - (ii) apply the uncalled capital to any purpose except towards payment of the Secured Money;
- (h) **(carrying on business)**
- (i) carry on its business in a proper and efficient manner; and
 - (ii) not make any substantial change to the general nature or scope of its business from that carried on at the date of this deed (other than an extension of the business to include related activities) without the consent of the Security Trustee (acting on the instructions of the Lender);
- (i) **(property or business outside jurisdiction)** immediately notify the Security Trustee if:
- (i) more than 10% of Secured Property (excluding book and other debts) is located in any jurisdiction other than a jurisdiction in which that percentage of the Secured Property is located at the date of this deed; or
 - (ii) the Grantors start to carry on business or establish a place of business in any jurisdiction except the jurisdictions in which it:
 - (A) is registered;
 - (B) is carrying on business; or
 - (C) has a place of business,at the date of this deed;
- (j) **(preserve and protect security)** promptly do everything necessary or reasonably required by the Security Trustee (acting on the instructions of the Lender) to:
- (i) preserve and protect the value of the Secured Property; or
 - (ii) protect and enforce its title and rights and the Security Trustee's title as secured party to the Secured Property;
- (k) **(book and other debts)**
- (i) collect and realise all book and other debts and other receipts due to it in the ordinary course of its business;
 - (ii) if so required at any time by the Security Trustee (acting on the instructions of the Lender):

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- (A) open and maintain the Proceeds Account and appoint, as the only signatories on that account, persons nominated by the Security Trustee (acting on the instructions of the Lender);
 - (B) except to the extent that the Security Trustee (acting on the instructions of the Lender) otherwise agrees in writing, pay the proceeds of the collections and realisations of its book and other debts into the Proceeds Account;
 - (C) not withdraw any money standing to the credit of the Proceeds Account without the consent of the Security Trustee (acting on the instructions of the Lender); and
 - (D) at the request of the Security Trustee (acting on the instructions of the Lender), ensure that the account bank enters into a priority agreement with the Security Trustee to give the Security Trustee priority over any Security Interest that the account bank may have in relation to the Proceeds Account at any time;
- (l) (**comply with obligations**) do everything a Grantor is required to do under or in connection with Secured Property;
 - (m) (**valuations**) provide as soon as practicable after a request by the Security Trustee (acting on the instructions of the Lender) (which, before the occurrence of an Event of Default, must not be made more frequently than once in any period of 12 months) a valuation of all or any part specified by the Security Trustee (acting on the instructions of the Lender) of the Secured Property on the basis and by a valuer approved by the Security Trustee (acting on the instructions of the Lender);
 - (n) (**forfeiture notices**) give immediate notice to the Security Trustee if it receives any notice under section 18 of the CLPA or any proceedings are commenced; and
 - (o) (**nameplates**) if the Security Trustee (acting on the instructions of the Lender) requests:
 - (i) affix to any Secured Property a readily visible fireproof plate or sign that:
 - (A) brings the existence of the Security Trustee's interest in that property to the attention of other persons; and
 - (B) states that a disposal of that property or the granting of a Security Interest in that property which is not otherwise permitted under a Transaction Document will breach that Transaction Document; and
 - (ii) not remove or change, or allow any person to remove or change, that plate or sign without the consent of the Security Trustee (acting on the instructions of the Lender).

5.4 Undertakings relating to insurance

Each Grantor must:

- (a) (**insure**) keep the Secured Property that is of an insurable nature insured:
 - (i) against the risks and in the amounts that are prudent or usual for a person conducting a similar business, with sound and reputable insurers; or
 - (ii) on the terms that the Security Trustee (acting on the instructions of the Lender) requires;

and must provide the Security Trustee on request with details of the insurance and evidence that it is in full force and that all premiums have been paid;

- (b) **(apply proceeds)** if any of the Secured Property is lost or damaged from any cause covered by Insurance, at the option of the Security Trustee (acting on the instructions of the Lender), apply any sum received on account of any Insurance towards replacement, reconstruction or repair of the affected Secured Property or towards repayment of the Secured Money (whether due or not); and
- (c) **(claims)** allow the Security Trustee (acting on the instructions of the Lender) to:
 - (i) make, enforce, settle or compromise claims relating to the Insurances; and
 - (ii) demand, sue for, recover and give discharge for all money payable under the Insurances (whether those Insurances are in the name of the Security Trustee or a Grantor or both, and whether or not those Insurances cover property other than the Secured Property).

6. SECURITY TRUSTEE'S POWERS

6.1 Statutory Restrictions

- (a) The restriction on the consolidation of mortgages imposed by section 21 of the CLPA shall not apply to the security constituted by this deed.
- (b) The Security Trustee may exercise the power of sale conferred on mortgagees by the CLPA (as varied and extended by this deed) free from the restrictions imposed by section 25 thereof.

6.2 Enforcement Powers

For the purpose of all rights and powers implied or granted by statute, the Secured Money is deemed to have fallen due on the date of this deed. The power of sale and other powers conferred by section 24 of the CLPA (as varied and extended by this deed) and all other enforcement powers conferred by this deed shall be immediately exercisable at any time after a Control Event has occurred

6.3 Statutory Powers

The powers conferred on mortgagees or receivers by the CLPA shall apply to the security created by this deed, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers contained in the CLPA and those contained in this deed, those contained in this deed shall prevail.

6.4 Fixtures

The Security Trustee may sever any fixtures from the property to which they are attached and sell them separately from that property.

6.5 Appointment of Receiver

At any time after an Event of Default has occurred or if so requested by the Grantors, the Security Trustee may by writing under hand signed by any officer or manager of the Security Trustee, appoint any person (or persons) to be a Receiver of all or any part of the Secured Property, regardless of whether the Security Trustee shall have entered into or taken possession of the Secured Property or any part thereof.

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6.6 Powers of Leasing

The Security Trustee may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it thinks fit, without the need to comply with any of the provisions of section 23 of the CLPA.

6.7 Exercise of Powers

All or any of the powers conferred upon mortgagees by the CLPA as varied or extended by this deed, and all or any of the rights and powers conferred by this deed on a Receiver (whether expressly or impliedly), may be exercised by the Security Trustee without further notice to the Grantors at any time after a Control Event has occurred, irrespective of whether the Security Trustee has taken possession or appointed a Receiver of all or any part of the Secured Property.

6.8 Powers under the CLPA

The powers conferred by this deed in relation to the Secured Property or any part thereof on the Security Trustee or on any Receiver of such property or any part thereof shall be in addition to and not in substitution for the powers conferred on mortgagees or receivers under the CLPA or under any other law, written or unwritten which shall apply to the security constituted by this deed except insofar as they are expressly or impliedly excluded and where there is any ambiguity or conflict between the powers contained in the CLPA and those conferred by this deed as aforesaid then the terms of this deed shall prevail.

6.9 Security Trustee's right to make good a default

- (a) If a Grantor breaches this deed, the Security Trustee may do everything it considers to be necessary or desirable to attempt to remedy the breach to the Security Trustee's satisfaction. The Security Trustee is not obliged to do so. Any liabilities or expenses incurred by the Security Trustee in attempting to remedy any such breach must be reimbursed by the applicable Grantor on demand.
- (b) Clause 6.9(a) does not limit any other right the Security Trustee has under this deed or at law.

6.10 Powers on enforcement

If this deed has become enforceable, the Security Trustee or any of its Authorised Representatives (acting on the instructions of the Lender), without notice to any Grantor, may:

- (a) exercise any of the powers that might be exercised by a Receiver even if a Receiver has not been appointed and without any need to take possession and without being liable as mortgagee in possession; and
- (b) complete any transfer or instrument of any nature executed by or on behalf of the applicable Grantor in blank and deposited with the Security Trustee as Collateral Security, in favour of the Security Trustee or any appointee of the Security Trustee or any other person.

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6.11 Inspection

The Security Trustee or any of its Authorised Representatives may enter without notice at any reasonable time on any land or building occupied by a Grantor or forming part of the Secured Property or in which any goods that form part of the Secured Property are located to:

- (a) inspect their state and condition; and
- (b) inspect and take copies of or extracts from any books that in any way relate to Secured Property or a Grantor's business.

6.12 Calls

- (a) If this deed has become enforceable, each Grantor authorises the Security Trustee, each of the Security Trustee's Authorised Representatives and any Receiver to:
 - (i) make calls its members in relation to the applicable Grantor's uncalled capital;
 - (ii) sue (in the name of a Grantor or otherwise) to recover money due in relation to calls; and
 - (iii) give valid receipts for that money.

If this deed has become enforceable, a Grantor's directors may not do so.

- (b) This authority is not terminated by any change in a Grantor's directors and is assignable.

7. POWER OF ATTORNEY

7.1 Appointment of Attorneys

Each Grantor irrevocably appoints the Security Trustee and each Authorised Representative of the Security Trustee, and as an independent appointment appoints any Receiver, severally its attorney, at the Grantors' cost, to:

- (a) **(all acts necessary)** do anything necessary or desirable in the opinion of the Security Trustee or the Attorney to:
 - (i) complete this deed;
 - (ii) give full effect to this deed;
 - (iii) better secure, preserve, perfect or give effect to the Secured Property to the Security Trustee in a manner consistent with this deed; or
 - (iv) assist in the execution or exercise of any power under this deed,including execute any transfer (including any transfer in blank) or other document;
- (b) do all or any of the following while an Event of Default is continuing:
 - (i) **(recover Secured Property)** demand, sue for, recover and give discharge for the Secured Property;

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- (ii) (**commence actions**) commence, carry on, enforce, settle, arrange and compromise any proceedings to obtain or enforce the payment or delivery of the Secured Property;
 - (iii) (**bankruptcy and winding up**) take any necessary proceedings to procure the bankruptcy or the winding up of any debtor of a Grantor in connection with the Secured Property, and attend and vote at meetings of creditors, receive dividends in any bankruptcy or winding up or appoint a proxy for any of these things;
 - (iv) (**compound debts**) compound, settle or compromise any debt of a Grantor in connection with the Secured Property;
 - (v) (**execute deeds**) execute any agreement including any deed of assignment, composition or release in connection with the Secured Property;
 - (vi) (**exercise rights**) exercise all or any powers, rights, discretions and remedies available to a Grantor in connection with the Secured Property (including rights available under the CLPA or any other statute); and
 - (vii) (**general**) do anything else that a Grantor must or may do, or that the Security Trustee may do, under this deed or by law.

7.2 **General**

- (a) Each Attorney may appoint and remove substitutes, and may delegate its powers (including this power of delegation) and revoke any delegation.
- (b) An Attorney may do anything contemplated by this clause even if the Attorney is affected by an actual or potential conflict of interest or duty, or might benefit from doing it.
- (c) An Attorney may do anything contemplated by this clause in its name, in the name of a Grantor or in the name of both of them.
- (d) Each Grantor must ratify anything done by an Attorney under this clause.
- (e) Each Grantor gives the power of attorney in this clause:
 - (i) to secure performance by a Grantor of its obligations to the Security Trustee under this deed and any property interest of the Security Trustee under this deed; and
 - (ii) for valuable consideration, receipt of which is acknowledged by each Grantor.

7.3 **Ratification**

Each Grantor hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in this clause shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this clause.

8. ENFORCEMENT

8.1 Circumstances when this deed may be enforced

The Secured Money will immediately become payable at the Security Trustee's option (acting on the instructions of the Lender) (despite any delay or previous waiver of the right to exercise that option) without the need for any demand or notice under this deed or under another Transaction Document, and this deed will immediately become enforceable (whether or not the Secured Money has become payable in this manner) if any of the following events occurs:

- (a) **(non-payment)** if an Obligor fails to pay any amount that is due and payable by it under a Transaction Document when it is due;
- (b) **(Insolvency Event)** if an Insolvency Event occurs in respect of an Obligor; or
- (c) **(other Event of Default)** if an Event of Default (as defined in the Loan Agreement (Citizen)) occurs.

8.2 Enforcement despite earlier payment

This deed may be enforced:

- (a) even if the Security Trustee accepts a payment of interest or other amount after the occurrence of any Event of Default; and
- (b) without the need for any notice to, or of any consent or agreement of, a Grantor or any other person.

8.3 Immediate Recourse

Each Grantor waives any right it may have of first requiring a Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from a Grantor under this deed. This waiver applies irrespective of any law or any provision of a Transaction Document to the contrary.

8.4 Deferral of Grantors' Rights

Until all the Secured Money has been irrevocably paid in full and all facilities which might give rise to the Secured Money have terminated and unless the Security Trustee otherwise directs, the Grantors will not exercise any rights which they may have by reason of performance by them of their obligations under the Transaction Documents:

- (a) to be indemnified by any person;
- (b) to claim any contribution from any other provider of security for or any other guarantor of any person's obligations under the Transaction Documents; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Transaction Documents or of any guarantee or other security taken pursuant to, or in connection with, the Transaction Documents by any Finance Party.

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9. APPOINTMENT OF RECEIVER

9.1 Appointment

If this deed has become enforceable (whether or not the Security Trustee has entered into possession of all or any of the Secured Property) the Security Trustee or any Authorised Representative of the Security Trustee may at any time:

- (a) appoint any person or any two or more persons jointly and severally to be a receiver or receiver and manager (or an additional receiver or receiver and manager) of Secured Property;
- (b) remove the Receiver and in case of the removal, retirement or death of any Receiver appoint another as a replacement; and
- (c) fix the remuneration of the Receiver (without being limited to the maximum rate specified in section 29(6) of the CLPA).

Subject to clause 9.2, every Receiver appointed under this subclause will be a Grantor's agent and the Grantors alone will be responsible for the Receiver's acts and defaults and remuneration. The Security Trustee will not be responsible for any misconduct, negligence or default of a Receiver. Any third party referred to in this clause 9 may enjoy the benefit or enforce the terms of this clause in accordance with the provisions of the Contracts (Rights of Third Parties) Act (Cap. 53B).

9.2 Receiver other than as Grantors' agent

- (a) The Security Trustee by notice to a Grantor and the Receiver may require the Receiver to act as the Security Trustee's agent.
- (b) The power to appoint a Receiver under this clause may be exercised even though:
 - (i) at the time when this deed becomes enforceable or when an appointment is made, an order may have been made or a resolution may have been passed to wind up a Grantor; or
 - (ii) a Receiver appointed in the circumstances specified in the preceding paragraph may not, or may not in some respects, act as a Grantor's agent.

9.3 Powers of Receiver

Each Receiver appointed under this deed shall have all the powers conferred from time to time on mortgagees, mortgagees in possession and receivers by the CLPA (which is deemed incorporated in this deed). In addition, notwithstanding any liquidation of the Grantors, each Receiver shall have the power to:

- (a) **(manage, possession, control)** manage, take possession of, or take control of, collect and get in the Secured Property and for that purpose to take proceedings (in the name of a Grantor or otherwise);
- (b) **(give up possession)** give up possession of the Secured Property;
- (c) **(exercise Security Trustee's rights)**
 - (i) exercise all or any of the Security Trustee's powers, rights, discretions and remedies under this deed; and
 - (ii) comply with the directions given by the Security Trustee;

- (d) **(carry on business)**
- (i) carry on or agree to carry on the business of a Grantor in and with the Secured Property and to stop doing so;
 - (ii) effect all repairs, purchases and Insurances, and generally to do everything that a Grantor might do in the ordinary conduct of its business to:
 - (A) protect or improve the Secured Property; or
 - (B) obtain income or returns from the Secured Property and to conduct a Grantor's business,without being responsible for any loss; and
 - (iii) develop, reconstruct, amalgamate or diversity any part of the business of the Grantors;
- (e) **(formation of companies)** to promote and effect the formation of any company or companies with a view to the same purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Secured Property or the assets and property comprised in this security or otherwise arrange for such company or companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Secured Property or the said property and assets on such terms and conditions whether or not by instalments secured or unsecured as it or he may think fit;
- (f) **(borrow)**
- (i) borrow from a financial institution or (with the consent of the Security Trustee (acting on the instructions of the Lender)) any other person any money that may be required for any of the purposes mentioned in clause 9.3(d); and
 - (ii) (in the name of a Grantor or otherwise) secure any money borrowed by granting a Security Interest in the Secured Property so that the Security Interest may rank in priority to, equally with or after the Security Interests granted in clause 2.1,
- without the Security Trustee being bound to enquire whether the borrowing is necessary or proper or responsible for the misapplication or non-application of any money borrowed;
- (g) **(hire out, lease or license)** hire out, lease or license the Secured Property (including in the name of a Grantor) for any term at the rent or licence fee and on terms that seem desirable to the Receiver (with or without a purchase option and whether or not the Receiver has taken possession);
- (h) **(exercise rights)** exercise all or any powers, rights, discretions and remedies of a Grantor or in connection with the Secured Property (including rights available under the CLPA or any other statute);
- (i) **(registration)** do everything necessary to obtain registration of the Secured Property in the Security Trustee's name or in the name of the Security Trustee's nominee;

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- (j) **(settle disputes)**
 - (i) settle, arrange and compromise any accounts, claims, questions or disputes that may arise in connection with a Grantor's business or the Secured Property or in any way relating to this deed; and
 - (ii) execute releases or other discharges in relation to the settlement, arrangement, or compromise;
- (k) **(sell)** sell (whether or not the Receiver has taken possession), exchange or otherwise dispose of (absolutely or conditionally) the Secured Property (or agree to do so):
 - (i) whether or not a Grantor has carried out any work on the Secured Property or otherwise prepared the Secured Property for sale;
 - (ii) with or without other property;
 - (iii) by public auction, private sale or tender for cash or on credit;
 - (iv) whether or not the reserve price for a sale by auction or tender is disclosed;
 - (v) in one lot or in parcels;
 - (vi) with or without special conditions, (such as conditions as to title or time or method of payment of purchase money) including by allowing the purchase money to remain:
 - (A) outstanding on any security over the property sold or over any other property; or
 - (B) owing without any security; and
 - (vii) on other terms the Receiver considers desirable, without being responsible for any loss;
- (l) **(transfer on sale)** execute transfers and assignments of the Secured Property (including in the name of a Grantor), and do everything to complete any sale under clause 9.3(k) that the Receiver thinks necessary;
- (m) **(insure)** insure the Secured Property that is of an insurable nature against risks of destruction, loss or damage for the amounts and on the terms that the Receiver thinks appropriate;
- (n) **(sever fixtures)** sever fixtures belonging to a Grantor and sell them apart from any other part of the Secured Property;
- (o) **(employees and agents)** engage employees, agents, consultants, lawyers, advisers and contractors for any of the purposes of this clause on terms that the Receiver thinks appropriate;
- (p) **(give receipts)** give receipts for all money and other property that may come into the hands of the Receiver in exercise of any power given by this deed;

- (q) **(enforce contracts)** carry out and enforce or otherwise obtain the benefit of all contracts:
- (i) entered into or held by a Grantor in connection with the Secured Property; or
 - (ii) entered into in exercise of the powers given by this deed;
- (r) **(make debtors bankrupt)** make debtors bankrupt and wind up companies or other applicable entities and do everything in connection with any bankruptcy or winding up that the Receiver thinks desirable to recover or protect Secured Property;
- (s) **(perform undertakings)** do everything necessary to perform any undertaking of a Grantor in this deed;
- (t) **(receive money)** receive all money or other property payable or deliverable to a Grantor from the Secured Property;
- (u) **(Proceeds Account)** operate the Proceeds Account (including making deposits and withdrawals in connection with any of the above);
- (v) **(desirable or incidental matters):**
- (i) do or cause to be done everything that the Receiver thinks desirable in the interests of the Security Trustee; and
 - (ii) do anything incidental to the exercise of any other power;
- (w) **(take legal proceedings)** take proceedings (including in the name of a Grantor) in connection with any of the above; and
- (x) **(delegate)** with the consent of the Security Trustee (acting on the instructions of the Lender) delegate any of the powers given to the Receiver by this clause to any person.

9.4 **Conformity with Security Trustee's directions**

Any Receiver shall in the exercise of his powers, authorities and discretions conform to any regulations and directions from time to time made and given by the Security Trustee provided that no person dealing with the Security Trustee or any Receiver shall be concerned to enquire whether the Receiver has so conformed to any such regulations and directions.

9.5 **Several Receivers**

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this deed (unless the document appointing such Receiver states otherwise).

9.6 **Payment to Receiver**

The Security Trustee may pay over to any Receiver any moneys constituting part of the Secured Property to the extent that the same may be applied for the purposes of this deed by such Receiver and the Security Trustee may from time to time determine what funds any Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver.

9.7 Security for due performance

The Security Trustee may from time to time and at any time require any Receiver to give security for the due performance of his duties as Receiver and may fix the nature and amount of the security to be so given but the Security Trustee shall not be bound in any case to require any such security.

10. PROTECTION OF SECURITY TRUSTEE AND APPOINTEES

10.1 Protection of Security Trustee and Receiver

- (a) The Security Trustee is not obliged to, but may, do the following if directed by the Lender:
- (i) notify any debtor or member of a Grantor or any other person of this deed; or
 - (ii) enforce payment of any money payable to a Grantor, or take any step or proceeding for any similar purpose.
- (b) No Finance Party, nor any of its Authorised Representatives or agents, any Attorney or any Receiver is liable for any omission or delay in exercising any power, right, discretion or remedy under this deed or for any involuntary loss or irregularity that may occur in relation to the exercise or non-exercise of any of them except to the extent that it is a direct and foreseeable result of its own fraud, gross negligence or wilful misconduct.

10.2 Conflict of interests

The Security Trustee, an Authorised Representative or agent of the Security Trustee, an Attorney, Receiver or other person appointed by the Security Trustee under this deed may exercise or agree to exercise a power given by this deed or by law even though that person may have a conflict of interests in exercising the power.

10.3 Liability for loss

- (a) None of the Security Trustee, an Authorised Representative or agent of the Security Trustee, an Attorney, a Receiver or any other person appointed by the Security Trustee under this deed is liable for any loss that a Grantor suffers as a direct or indirect result of:
- (i) the exercise or attempted exercise of, or failure to exercise, any of its rights contained in this deed; and
 - (ii) any release or dealing with any other Guarantee or Security Interest (including any prejudice to or loss of a Grantor's rights of subrogation),
- except to the extent that such loss is a direct and foreseeable result of its own fraud, gross negligence or wilful misconduct.
- (b) If the Security Trustee, any agent of the Security Trustee or a Receiver enters into possession of Secured Property, none of the Security Trustee, any of its Authorised Representatives or agents, any Attorney or any Receiver is liable:
- (i) to account as a secured party in possession or for anything except actual receipts; or
 - (ii) for any loss on realisation or for any default or omission for which a secured party in possession might be liable, except to the extent that it is

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a direct and foreseeable result of its own fraud, gross negligence or wilful misconduct.

11. PROTECTION OF THIRD PARTIES

11.1 Dealings under this deed

A purchaser or other party to a disposal or dealing in attempted exercise of a power contained in this deed is not:

- (a) bound to enquire whether an Event of Default has occurred, whether this deed has become enforceable, whether a Receiver has been properly appointed or about the propriety or regularity of a sale, disposal or dealing; or
- (b) affected by notice that a sale, disposal or dealing is unnecessary or improper.

Despite any irregularity or impropriety in a sale, disposal or dealing, it is to be treated, for the protection of the purchaser or other party to the disposal or dealing, as being authorised by this deed and valid. All the protection to purchasers contained in sections 26 and 27 of the CLPA shall apply to any person purchasing from or dealing with the Security Trustee or any Receiver (or their agents). Any third party referred to in this clause 11 may enjoy the benefit or enforce the terms of this clause in accordance with the provisions of the Contracts (Rights of Third Parties) Act (Cap. 53B).

11.2 Receipts

A receipt that the Security Trustee, one of its Authorised Representatives or agents or a Receiver gives for any money payable to or receivable by the Security Trustee or the Receiver because of this deed will:

- (a) relieve the person paying or handing over money or other property from all liability:
 - (i) for the application (or any loss or misapplication) of the money or other property;
 - (ii) to enquire whether the Secured Money has become payable; and
 - (iii) (where appropriate) as to the propriety or regularity of the appointment of the Receiver; and
- (b) discharge the person paying that money from its liability to pay that money.

12. APPLICATION OF MONEY

12.1 Order

- (a) All monies received or recovered by the Security Trustee or any Receiver pursuant to this deed shall be applied in the order and manner specified in the Security Trust Deed.
- (b) The provisions of this Clause 12 shall take effect as and by way of variation and extension to the provisions of section 29 of the CLPA, which provisions as so varied and extended shall be deemed incorporated herein.

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12.2 **Only actual receipts credited**

In applying any money towards the Secured Money, a Grantor's account will be credited only with the amount of the money that the Security Trustee actually receives for that purpose. The credit will date from the time of receipt.

12.3 **Compensation**

If any compensation becomes payable for the Secured Property, the Security Trustee (acting on the instructions of the Lender) may:

- (a) apply the sum received on account of any compensation, at the Security Trustee's option, in or towards repayment of the Secured Money;
- (b) make, enforce, settle or compromise any claims relating to compensation; and
- (c) execute any necessary assurances and releases in the name of a Grantor and the Security Trustee.

If any compensation comes into the hands of a Grantor before a final irrevocable discharge of this deed, a Grantor must immediately pay it to the Security Trustee.

12.4 **Certificates and disputes**

- (a) The Security Trustee may rely on a certificate issued by any person who claims to be entitled to any money received from the exercise of any right in relation to the Secured Property which states that a Grantor owes it a certain amount of money, without making any further enquiry.
- (b) If there is any dispute between any persons (other than the Security Trustee) regarding an entitlement to receive any money received from the exercise of any right in relation to the Secured Property, the Security Trustee (acting on the instructions of the Lender) may pay that money into court, and after doing so does not have any further obligation in respect of that money.

12.5 **No interest**

The Security Trustee is not obliged to pay interest to any person on any money received from the exercise of any right in relation to the Secured Property.

12.6 **Payment into bank account**

The Security Trustee or the Receiver may pay any money to the credit of a bank account in the name of a person to whom it is obliged to pay any money received from the exercise of any right in relation to the Secured Property, and having done so is under no further liability in respect of that money.

12.7 **Amounts contingently due**

- (a) If any part of the Secured Money is contingently owing to the Security Trustee when money is being applied under clause 12.1 the Security Trustee or Receiver may:
 - (i) retain an amount equal to the amount contingently owing, or any part of it; and
 - (ii) put that amount in an interest-bearing account, payable at call.

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(b) If the amount which is contingently owing:

- (i) becomes payable; or
- (ii) ceases to be contingently owing,

the Security Trustee or Receiver must apply the amount retained (and any interest earned on it) in accordance with clause 12.1.

12.8 **Section 29 of the CLPA**

The provisions of this clause 12.8 shall take effect as and by way of variation and extension to the provisions of section 29 of the CLPA, which provisions as so varied and extended shall be deemed incorporated herein.

13. **CONTINUING SECURITY**

13.1 **Continuity**

Each Security Interest granted in clause 2.1:

- (a) is a continuing security, and remains in full force until a final irrevocable discharge of that Security Interest is given to each Grantor under clause 17 despite any transaction or other thing (including a settlement of account or intervening payment); and
- (b) will apply to the present and future balance of the Secured Money.

13.2 **Other Security**

This security is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Security Trustee or the Lender may now or after the date of this deed hold for any of the Secured Money.

13.3 **Limitations on Grantors' rights**

Until the Secured Money has been irrevocably paid and discharged in full, a Grantor may not:

- (a) share in any Guarantee, Security Interest or money received or receivable by the Security Trustee in relation to the Secured Money or stand in the place of the Security Trustee in relation to any Guarantee, Security Interest or right to receive money;
- (b) in reduction of its liability under this deed, raise a defence, set off or counterclaim against the Security Trustee or claim a set off or make a counterclaim against the Security Trustee; or
- (c) claim to be entitled by way of contribution, indemnity, subrogation, marshalling or otherwise to the benefit of any document or agreement to which the Security Trustee is a party.

13.4 **No marshalling**

The Security Trustee is not under any obligation to marshal or appropriate in favour of a Grantor or to exercise, apply, perfect or recover any Security Interest that the Security Trustee holds at any time or any funds or property that the Security Trustee may be entitled to receive or have a claim on.

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13.5 **Effect of Insolvency Event**

- (a) If an Insolvency Event has occurred in relation to an Obligor, any amount paid by that Obligor (**relevant payment**) will only be applied against any Secured Money if:
 - (i) the Security Trustee is advised by its lawyers (which advice will be conclusively binding on a Grantor) that it will not be required to pay the relevant payment to any person under any law relating to bankruptcy, winding up or the protection of creditors; or
 - (ii) a final judgment is given by a court of competent jurisdiction in favour of the Security Trustee that it is not required to pay the relevant payment to any person under any law relating to bankruptcy, winding up or the protection of creditors.
- (b) If an amount is applied against any Secured Money and the Security Trustee pays or determines that it is obliged to pay the relevant amount to any person under any law relating to bankruptcy, winding up or the protection of creditors:
 - (i) the Security Trustee's rights are to be reinstated and will be the same in relation to that amount as if the application, or the payment or transaction giving rise to it, had not been made; and
 - (ii) a Grantor must immediately do anything (including the signing of documents) required by the Security Trustee to restore to the Security Trustee any Guarantee or Security Interest to which it was entitled immediately before that application or the payment or transaction giving rise to it.
- (c) Any discharge or release between the Security Trustee and a Grantor is subject to reinstatement of the Security Trustee's rights under this subclause.

13.6 **Notice of other interests in Secured Property**

- (a) If a Finance Party receives notice of a subsequent interest in any Secured Property, it may open a new account in any Grantor's name in the books of the Finance Party.
- (b) If the Finance Party does not open a new account under clause 13.6(a), it is taken to have done so at the time it received notice of the subsequent interest.
- (c) From the time the new account is opened or taken to be opened, the following amounts will be, or will be taken to be, debited or credited (as applicable) to the new account:
 - (i) all financial accommodation made by the Finance Party to a Grantor; and
 - (ii) all payments and repayments made by a Grantor to the Finance Party.
- (d) Payments, repayments and other amounts from the new account will only be applied in reduction of other Secured Money to the extent there is no debit balance in that account.
- (e) If requested by the Security Trustee (acting on the instructions of the Lender), a Grantor must ensure that any other holder of a Security Interest in Secured Property enters into an agreement with the Security Trustee:

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- (i) under which the holder agrees that the Security Trustee's Security Interests rank ahead of that holder's Security Interest, for all the amount owing that is incurred after that holder's Security Interest was granted; and
- (ii) which is otherwise satisfactory to the Security Trustee (acting on the instructions of the Lender) in form and substance.
- (f) The Finance Party may notify any Grantor that its obligation to provide further advances or financial accommodation under any Transaction Document is terminated, in which case its obligation to do so terminates immediately, if:
- (i) the Finance Party receives notice of a subsequent Security Interest (other than a Permitted Security Interest) which affects any Secured Property; and
- (ii) it is of the opinion that any further financial accommodation provided to a Grantor will not rank ahead of that subsequent Security Interest.
- (g) If this clause 13.6 is inconsistent with any other provision of this deed, this clause prevails to the extent of the inconsistency.

14. CUMULATIVE POWERS AND AVOIDANCE OF PAYMENTS

14.1 Cumulative Powers

The powers which this deed confers on the Security Trustee, the Lender and any Receiver appointed under this deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Security Trustee, the Lender or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Security Trustee, the Lender and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

14.2 Amounts Avoided

If any amount paid by the Grantors in respect of the Secured Money is capable of being avoided or set aside on the liquidation or administration of the Grantors (including under sections 329 or 330 of the Companies Act) or otherwise, then for the purposes of this deed that amount shall not be considered to have been paid.

14.3 Discharge Conditional

Any settlement or discharge between the Grantors and any Finance Party shall be conditional upon no security or payment to that Finance Party by the Grantors or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency (including sections 329 or 330 of the Companies Act) and accordingly (but without limiting the other rights of that Finance Party under this deed) that Finance Party shall be entitled to recover from the Grantors the value which that Finance Party has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

15. SET-OFF

15.1 Set-off Rights

The Security Trustee (acting on the instructions of the Lender) may set off any matured obligation due from the Grantors under the Transaction Documents against any matured

obligation owed by the Lender to the Grantors, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

15.2 **Different Currencies**

The Security Trustee may exercise its rights under clause 15.1 notwithstanding that the amounts concerned may be expressed in different currencies and the Security Trustee is authorised to effect any necessary conversions at a market rate of exchange selected by it.

15.3 **Unliquidated Claims**

If the relevant obligation or liability is unliquidated or unascertained, the Security Trustee may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

16. **INDEMNITIES**

16.1 **Indemnities**

Clauses 9.5 (*Currency indemnity*), 14 (*Increased Costs*), 15 (*Recovery of GST*) and 16 (*Indemnity*) of the Loan Agreement (Citizen) apply to this deed as if set out in full in the deed, mutatis mutandis.

16.2 **Indemnity for exercise of rights or proceedings**

To the extent permitted by law, each Grantor must indemnify each of the Security Trustee, each Authorised Representative and agent of the Security Trustee, each Receiver and Attorney of a Grantor and any other person appointed under this deed or the CLPA by or on behalf of the Security Trustee as secured party under this deed against, and must pay each of them on demand the amount of all losses, liabilities, costs, expenses and Taxes (other than Excluded Taxes) that they each incur:

- (a) (directly or indirectly) in the exercise or attempted exercise of any of the powers, rights, discretions or remedies (express or implied) vested in them under this deed or the CLPA; and
- (b) in connection with all proceedings, expenses, claims and demands in relation to anything done or omitted in any way relating to Secured Property,

including legal expenses on a full indemnity basis and expenses incurred in engaging consultants except to the extent that any such losses, liabilities, costs, expenses and Taxes are a direct and foreseeable result of the fraud, gross negligence or wilful misconduct of that person.

16.3 **Recovery from Secured Property**

A person who is entitled to be indemnified for a loss, cost, liability, expense or Tax under clause 16.1 or 16.2 may recover the amount to be indemnified direct from the Secured Property.

17. **DISCHARGE**

- (a) The Security Trustee must at the request and cost of a Grantor reconvey, surrender or release any remaining Secured Property (as appropriate) to the Grantors and the Secured Property will then be discharged from this deed:

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- (i) when the Security Trustee (acting on the instructions of the Lender) is satisfied that:
 - (A) all the Secured Money has been irrevocably paid and discharged in full or satisfied in accordance with this deed and (without limiting this) that clause 13.5 will not later apply; and
 - (B) no amount remains contingently payable or may become payable on the security of this deed (including under an indemnity); and
- (ii) on payment or retention of all expenses incurred by or payable to the Security Trustee, its Authorised Representatives or any Receiver or Attorney.

(b) Any discharge is subject to clause 13.5.

18. **CONFIDENTIALITY**

The provisions of clause 17 (**Confidentiality**) of the Loan Agreement (Citizen) apply to this deed as if set out in full in this deed, mutatis mutandis.

19. **NOTICES**

Clause 20 (**Notices**) of the Loan Agreement (Citizen) apply to all notices, consents or other communications under this deed.

20. **AMENDMENT AND ASSIGNMENT**

20.1 **Amendment**

This deed can only be amended or replaced by another document executed by the parties.

20.2 **Assignment**

- (a) A Grantor may only assign, encumber, declare a trust over or otherwise deal with its rights under any Transaction Document with the written consent of the Security Trustee (acting on the instructions of the Lender).
- (b) The Security Trustee may assign, encumber, declare a trust over or otherwise deal with its rights under any Transaction Document without the consent of any Grantor, and may disclose to any potential holder of the right, or an interest in the right, any information relating to any Transaction Document or any party to any of them.

21. **GENERAL**

21.1 **Governing law**

- (a) This deed is governed by the laws of Singapore.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of the Singapore, and any court that may hear appeals from any of those courts, for any proceedings in connection with any Transaction Document.
- (c) Each Grantor irrevocably waives:
 - (i) any objection to the venue of any proceedings on the ground that they have been brought in an inconvenient forum; and

- (ii) any immunity from set off, suits, proceedings and execution to which it or any of its property may now or in the future be entitled under any applicable law.

21.2 **Liability for own expenses**

Each Grantor is liable for its own costs and expenses in complying with this deed, including where it does so at the Security Trustee's request or for the Security Trustee's benefit.

21.3 **Giving effect to this deed**

- (a) The Grantors must do anything (including executing any transfer in blank or any other transfer or other document, and perfecting and protecting any Security Interest intended to be created by or pursuant to this deed), and must ensure that its employees and agents do anything, that the Security Trustee (acting on the instructions of the Lender) may require to:
 - (i) give full effect to this deed; or
 - (ii) more fully secure the rights, remedies and powers of the Security Trustee under this deed or to enable the Security Trustee to exercise those rights, remedies and powers.
- (b) The Security Trustee (acting on the instructions of the Lender) may, at the relevant Grantor's cost, do anything which a Grantor should have done under this deed if that Grantor does not do so promptly or if the Security Trustee receives instructions from the Lender) that a Grantor has not done so properly.
- (c) In the case of any future real property acquired or held by the Grantors in Singapore, the Grantors shall:
 - (i) promptly after they become possible for them to do so execute a legal mortgage in favour of the Security Trustee in such terms and in such form as the Security Trustee may approve in writing; and
 - (ii) register that mortgage in relation to such real property.

21.4 **Variation of rights**

The exercise of a right partially or on one occasion does not prevent any further exercise of that right in accordance with the terms of this deed. Neither a forbearance to exercise a right nor a delay in the exercise of a right operates as an election between rights or a variation of the terms of this deed.

21.5 **Operation of this deed**

- (a) Subject to clause 21.5(b), the Transaction Documents contain the entire agreement between the parties about their subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by the Transaction Documents and has no further effect.
- (b) Any right that a Finance Party may have under the Transaction Documents is in addition to, and does not replace or limit, any other right that the Finance Party may have, including but not limited to the powers conferred on mortgagees or receivers under the CLPA or under any other law, written or unwritten which shall apply to the security constituted by this deed except insofar as they are expressly or impliedly excluded and where there is ambiguity or conflict between the powers contained in the CLPA and those conferred by this deed as aforesaid then the terms of this deed shall prevail.

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- (c) Any provision of this deed which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this deed enforceable, unless this would materially change the intended effect of this deed.

21.6 **Operation of indemnities**

- (a) Each indemnity in this deed survives the expiry or termination of this deed.
- (b) The Security Trustee may recover a payment under an indemnity in this deed before it makes the payment in respect of which the indemnity is given.
- (c) If a provision of this deed is expressed to:
- (i) indemnify;
 - (ii) exclude or limit any liability of; or
 - (iii) otherwise benefit,
- a person who is not a party to this deed, the Grantors agree that the Security Trustee holds the benefit of that indemnity, exclusion, limitation or other benefit for that person and may enforce this deed on their behalf and for their benefit.

21.7 **Consents**

Where a Transaction Document contemplates that the Security Trustee may agree or consent to something (however it is described), the Security Trustee may:

- (a) agree or consent, or not agree or consent, in its absolute discretion; and
- (b) agree or consent subject to conditions,

unless that document expressly contemplates otherwise.

21.8 **Statements by the Security Trustee**

A statement by an Authorised Representative of the Security Trustee on any matter relating to a Transaction Document (including any amount owing by a Grantor) is conclusive unless clearly wrong on its face.

21.9 **No merger**

Nothing in this deed merges with any other Security Interest, or any Guarantee, judgment or other right or remedy, that the Security Trustee may hold at any time.

21.10 **Exclusion of contrary legislation**

Any legislation that affects an obligation of a Grantor in a manner that is adverse to the interests of the Security Trustee, or adversely affects the exercise by the Security Trustee of a right or remedy, under or relating to this deed is excluded to the full extent permitted by law.

21.11 **Counterparts**

This deed may be executed in counterparts. Delivery of a counterpart of this deed by email attachment or fax constitutes an effective mode of delivery.

21.12 **Execution by fewer than all parties**

This deed binds each Grantor even if:

- (a) one or more of the persons named in this deed as a Grantor does not execute this deed or is not bound or ceases to be bound by this deed; or
- (b) the Security Trustee does not execute or only subsequently executes this deed.

21.13 Contracts (Rights of Third Parties) Act (Cap. 53B)

Save for the Finance Parties and any other agent or delegate of the Finance Parties relating to the Facility, a person who is not a party to this deed shall have no right under the Contracts (Rights of Third Parties) Act (Cap. 53B) of Singapore to enforce any of its terms.

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EXECUTED as a deed.

Each person who executes this deed on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

SECURITY TRUSTEE

SIGNED, SEALED AND DELIVERED FOR THE TRUST COMPANY (AUSTRALIA) LIMITED by its attorney under power of attorney in the presence of:

Li Lu
Signature of witness

LIN LU
Name


Signature of attorney

John Newby
Head of Property and Infrastructure Custody Services
Name

12 July 2010
Date of power of attorney

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GRANTORS

Signed, Sealed and Delivered By

JERRY REN (Jerry Ren)

as its attorney and

for and on behalf of

CITIZEN INTERNATIONAL INVESTMENTS PTE. LTD.

under a Power of Attorney dated 20 December 2013

in the presence of:



Marian Pond
Name of Witness: Marian Pond

Notice Details

Address: 8 Commonwealth Lane #06-01 Grande Building, Singapore 149555

Facsimile: +65 6533 3239

Attention: Jerry Ren

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Signed, Sealed and Delivered By
_____Rodney Illingworth_____
as its attorney and
for and on behalf of
ADROIT CAPITAL PTE. LTD.
under a Power of Attorney dated 20 December 2013
in the presence of:



[Handwritten signature]

Marian Pond
Name of Witness: Marian Pond

Notice Details
Address: 37A Hongkong Street, Singapore 059676
Facsimile: +65 6533 3239
Attention: Rodney Illingworth

SCHEDULE 1**Grantors**

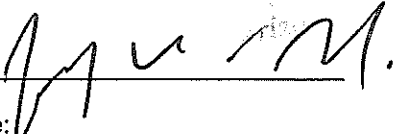
No.	Grantor	ACN/ABN	Notice details
1	Citizen International Investments Pte. Ltd.	200810908D	Address: 8 Commonwealth Lane #06-01 Grande Building, Singapore 149555 Attention: Jerry Ren Facsimile: +6565333239
2	Adroit Capital Pte. Ltd.	201333499H	Address: 37A Hongkong Street, Singapore 059676 Attention: Rodney Illingworth Facsimile: +65 6533 3239

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Annexure C – BVI Law General Security Deed

This is Annexure C of 36 pages referred to in Form 603 Notice of initial substantial holder by CPPIB Credit Investments Inc.

Signed



Name:

Capacity:

Jeff Donahue
Authorized Signatory

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Cherokee – BVI Law General Security Deed

Each entity listed in Schedule 1

and

The Trust Company (Australia) Limited
as Security Trustee

31 December 2013

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THIS DEED is made on 31 December 2013

BETWEEN:

- (1) Each entity listed in Schedule 1 (each a **Grantor** and together the **Grantors**); and
- (2) **The Trust Company (Australia) Limited** ACN 000 000 993 of Level 15, 20 Bond Street, Sydney NSW 2000 (the **Security Trustee**).

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

Attorney means an attorney appointed under a Transaction Document and any attorney's substitute or delegate.

Authorised Representative means:

- (a) for the Security Trustee:
 - (i) a company secretary or director of the Security Trustee or an employee of the Security Trustee whose title includes the word "Chief Executive Officer", "chief", "manager", "director", "counsel", "chief" or "head" or "president";
 - (ii) a person who is acting temporarily in one of those positions; or
 - (iii) a person, or a person holding a position, nominated by the Security Trustee to a Grantor; and
- (b) for a Grantor, a person nominated by that Grantor to the Security Trustee in a notice that is accompanied by, and certifies the correctness of, a copy of the signature of that person and in respect of which:
 - (i) the identity of that person has been verified to the satisfaction of the Security Trustee in order to manage the Security Trustee's anti-money laundering, counter-terrorism financing or economic and trade sanctions risk or to comply with any AML CTF laws; and
 - (ii) the Security Trustee has not received notice of revocation of the appointment.

BVI Act means the BVI Business Companies Act, 2004 (as amended) of the British Virgin Islands.

CLP Ordinance means the Conveyancing and Law of Property Act of the British Virgin Islands.

Collateral Security means a Security Interest or Guarantee (other than the Security Interests granted in clause 2.1) from any person that secures or otherwise provides for payment of any Secured Money.

Control Event means:

- (a) in respect of any Secured Property that is, or would have been, a Revolving Asset:

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- (i) a Grantor breaches, or attempts to breach clause 3.1 in respect of the Secured Property or takes any step which would result in it doing so; or
 - (ii) a person takes a step (including signing a notice or direction) which may result in Taxes, or any amount owing to an authority, ranking ahead of the security interest in Secured Property under this document; or
 - (iii) distress is levied or a judgment, order or Security Interest is enforced or a creditor takes any step to levy distress or enforce a judgment, order or Security Interest, over the Secured Property; or
 - (iv) the Security Trustee gives a notice to a Grantor that the Secured Property is not a Revolving Asset. (However, the Security Trustee may only give a notice if the Security Trustee reasonably considers that it is necessary to do so to protect its rights under this document or if an Event of Default is continuing); or
- (b) in respect of all Secured Property that is, or would have been, Revolving Assets:
- (i) a voluntary administrator, liquidator or provisional liquidator is appointed in respect of a Grantor or the winding up of a Grantor begins; or
 - (ii) a receiver, receiver and manager is appointed to any of a Grantor's property; or
 - (iii) something having a substantially similar effect to paragraph (i) or (ii) happens under any law.

Event of Default means an event or circumstance described in clause 8.1.

Finance Party means the Security Trustee and the Lender.

Guarantor means each person who has given or, at any time after the date of this document, may give to the Security Trustee a Guarantee or Security Interest in respect of any of the Secured Money.

Insolvency Act means the Insolvency Act, 2003 (as amended) of the British Virgin Islands.

Insurance means any contract or policy of insurance that is taken out by or on behalf of a Grantor or in which a Grantor has an interest.

Lender means CPPIB Credit Investments Inc.

Loan Agreement (Citizen) means the agreement dated on or about the date of this document and made between, among others, each of the Grantors and the Security Trustee in relation to a loan provided to Citizen International Investments Pte. Ltd, Australian Ilmenite Resources Pty Ltd (controller acting) and Citizen International Investments Limited.

Marketable Security means:

- (a) a debenture, stock or bond, unit in a unit trust, or other marketable security;
- (b) an intermediated security; and
- (c) any other investment instrument.

Obligor means:

- (a) each Grantor; and
- (b) each Guarantor.

Potential Event of Default means an event or circumstance which, with the passage of time, the giving of notice, the making of any determination or any combination of any of them, would become an Event of Default.

Proceeds Account means each account of a Grantor for the purposes of clause 5.3(k) at any bank approved by the Security Trustee.

Receiver means a receiver or a receiver and manager.

Register of Charges means the register of charges of each Grantor maintained by each Grantor in accordance with Section 162 of the BVI Act.

Registrar of Corporate Affairs means the Registrar of Corporate Affairs of the British Virgin Islands appointed under Section 229 of the BVI Act.

Revolving Asset means any Secured Property:

- (a) which is:
 - (i) inventory;
 - (ii) a negotiable instrument;
 - (iii) machinery, plant, or equipment which is not inventory and has a value of less than A\$1,000 or its equivalent;
 - (iv) money (including money withdrawn or transferred from an account with a bank or other financial institution); and
- (b) in relation to which no Control Event has occurred, subject to clause 3.3.

Secured Money means in respect of an Obligor, all amounts (including damages) that are payable, owing but not payable, or that otherwise remain unpaid by that Obligor to any Finance Party on any account at any time:

- (a) whether present or future, actual or contingent;
- (b) whether incurred alone, jointly, severally or jointly and severally;
- (c) whether the Obligor is liable on its own account or for the account of, or as surety for, another person and without regard to the capacity in which the Obligor is liable;
- (d) whether due to the Finance Party alone or with another person;
- (e) whether the Finance Party is entitled for its own account or for the account of another person;
- (f) whether arising from a banker and customer relationship or any other relationship;
- (g) whether originally contemplated by the Obligor or the Finance Party or not;
- (h) whether the Finance Party is the original person in whose favour any of the above amounts were owing or an assignee and, if the Finance Party is an assignee:
 - (i) whether or not the Obligor consented to or knew of the assignment;

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- (ii) no matter when the assignment occurred; and
- (iii) whether or not the entitlements of that original person were assigned with the Security Interests granted in clause 2.1; and
- (i) if determined pursuant to any award, order or judgment against the Obligor, whether or not the Obligor was a party to the court proceedings, arbitration or other dispute resolution process in which that award, order or judgment was made.

Secured Property means all of a Grantor's present and after-acquired property. It includes anything in respect of which a Grantor has at any time a sufficient right, interest or power to grant a Security Interest.

Security Trust means the trust constituted under clause 2 of the Security Trust Deed.

Security Trust Deed means the security trust deed dated on or before the date of this document between, among others, the Grantors and the Security Trustee.

1.2 **Terms defined in the Loan Agreement (Citizen)**

Terms defined in the Loan Agreement (Citizen) have the same meaning when used in this document.

1.3 **Clauses in the Loan Agreement (Citizen)**

The provisions of clauses 1.2 (**Rules for interpreting this document**) and 1.4 (**Non Business Days**) of the Loan Agreement (Citizen) apply to this document as if set out in full in this document.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party, then unless otherwise specified in this document:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or that term is a reference to each of those persons separately, so that (for example):
- (i) a representation, warranty or undertaking relates to each of them separately; and
- (ii) a reference to that party or that term in clause 8.1 is a reference to each of those persons separately.

1.5 **Security Trustee's limitation of liability**

The parties acknowledge that the Security Trustee is entering into this document in its capacity as trustee of the Security Trust only and not in any other capacity. Clause 4 of the Security Trust Deed is incorporated into this document as if set out in full in this document.

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2. SECURITY

2.1 Security clause

Each Grantor grants a security interest in the Secured Property to the Security Trustee to secure the punctual payment of the Secured Money.

Without limiting the foregoing, each Grantor, as a continuing security for the full and punctual payment and discharge of the Secured Money, hereby grants security in favour of the Security Trustee over the whole of its undertaking and all its property, assets and rights whatsoever and wheresoever present and future (except to the extent such undertaking, property, assets and rights are effectively the subject of any security arrangement entered into by each Grantor in favour of the Security Trustee other than this document) including but not limited to all of its right, title and interest in and to:

- (a) by way of first fixed charge all real property;
- (b) by way of first fixed charge and by way of first equitable mortgage all its shares;
- (c) by way of first fixed charge and by way of absolute assignment (and each Grantor agrees to assign absolutely) all its insurance policies;
- (d) by way of first fixed charge:
 - (i) all plant and machinery;
 - (ii) all its goodwill and uncalled capital;
 - (iii) all intellectual property including any intellectual property to which it is not absolutely entitled or to which it is entitled together with others;
 - (iv) the benefit of all agreements and licences now or in the future entered into or enjoyed by it relating to the use or exploitation of any intellectual property in any part of the world;
 - (v) all its rights in relation to trade secrets, confidential information and knowhow in any part of the world;
 - (vi) all its rights and causes of action in respect of infringement(s) of the rights referred to herein;
 - (vii) all book debts;
 - (viii) all its interests and rights (if any) in or to any bank account and all balances standing to the credit of any bank account and (to the extent of such interest) all balances standing to the credit of those accounts;
 - (ix) any beneficial interest, claim or entitlement it has to any pension fund; and
 - (x) the benefit of all licences, consents and authorisations held in connection with its business or the use of any asset and the right to recover and receive all compensation which may be payable in respect of them.

2.2 Each Grantor agrees with the Security Trustee and for the benefit of the Security Trustee that, until the security created herein is enforced:

- (a) each Grantor shall at all times remain liable to perform all the duties and obligations expressed to be assumed by it now and in relation to any contract or

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arrangement to which each Grantor is a party (including, but not limited to any contract) to the same extent as if this document had not been executed; and

- (b) the exercise by the Security Trustee of any of the rights assigned hereunder shall not release each Grantor from any of its duties or obligations in relation to any assigned property.

2.3 Fixed and floating charge

- (a) Each Grantor, as a continuing security for the full and punctual payment and discharge of the Secured Money, hereby charges in favour of the Security Trustee by way of first floating charge the whole of each Grantor's property, assets and rights whatsoever and wheresoever present and future (except to the extent that such property, assets and rights are being effectively charged by any fixed charge contained in herein or by a fixed charge pursuant to any security arrangement entered into by each Grantor in favour of the Security Trustee) and including any property, assets and rights comprised within a charge which is reconverted under Clause 2.8 below (collectively the "**Floating Charge Property**").
- (b) The floating charge created by Clause 2.3 above may be crystallised into a fixed charge by notice in writing given at any time by the Security Trustee to each Grantor (the "Crystallisation Notice"). Such crystallisation shall take effect over the assets or class of assets specified in the Crystallisation Notice. If no assets or class of assets are specified in the Crystallisation Notice, the Crystallisation Notice shall take effect over all the property, assets and rights of each Grantor which are subject to the floating charge.
- (c) Notwithstanding anything to the contrary in this document the Security Trustee may in the Crystallisation Notice impose restrictions (such restrictions being consistent with the restrictions applying to the property, assets and rights charged by way of fixed charge contained in Clause 4) on each Grantor's use of the assets or class of assets specified in the Crystallisation Notice or, as the case may be, if no assets or class of assets are specified in the Crystallisation Notice, on each Grantor's use of all the property, assets and rights of each Grantor which are subject to the floating charge and each Grantor shall (in either such case) be bound by such restrictions.
- (d) Notwithstanding the terms of Clause 2.4 above the floating charge created by Clause 2.3 above shall automatically be converted and instantly crystallised (without the necessity of notice) into a fixed charge over all Floating Charge Property:
 - (i) in the instant before:
 - (A) the presentation of a petition for the winding up of each Grantor;
 - (B) the calling of a meeting for the passing of a resolution for the voluntary winding up of each Grantor;
 - (C) the issuing of a summons or motion for the appointment of a receiver in relation to each Grantor;
 - (D) any person takes possession, or a trustee, or receiver or similar officer is appointed, over any of the Floating Charge Property, or distress or any form of execution is levied or enforced upon or sued out against any such Floating Charge Property;
 - (E) the presentation or making of an application for a warrant of execution, writ of fieri facias, garnishee order, charging order or other

enforcement proceeding in respect of any of the Floating Charge Property;

- (F) each Grantor becomes or is declared insolvent or otherwise unable to pay its debts as they fall due in the ordinary course of business; or
 - (G) the convening by each Grantor of a meeting of its creditors or the making of a proposal or arrangement or composition with, or any assignment for the benefit of, its creditors, or the presentation of a petition or calling of a meeting for the purpose of considering a resolution regarding such matters or other steps are taken for its winding-up, or dissolution;
- (ii) if each Grantor takes steps to:
- (A) charge or otherwise encumber any of each Grantor's Floating Charge Property other than in favour of the Security Trustee ;
 - (B) create a trust over any of each Grantor's Floating Charge Property other than in favour of the Security Trustee ; or
 - (C) dispose of any Floating Charge Property, except as permitted under the Finance Documents but only in so far as such disposal is not in breach;
- (iii) if any event analogous to any of the events specified in this Clause 2.6 occurs under the laws of any applicable jurisdiction,

and the Security Trustee shall be entitled without notice to each Grantor to take possession of and hold the same or to appoint a receiver thereof.

- (e) Except as otherwise stated in any notice given under Clause 2.4 above or unless such notice relates to all each Grantor's Floating Charge Property, prospective Floating Charge Property acquired by each Grantor after crystallisation has occurred under Clause 2.4 or Clause 2.6 above shall become subject to the floating charge created by Clause 2.3 above, so that the crystallisation shall be effective only as to the relevant Floating Charge Property in existence at the date of crystallisation.
- (f) Any charge which has crystallised under Clause 2.4 or Clause 2.6 above may, by notice in writing given at any time by the Security Trustee to each Grantor, be reconverted into a floating charge in relation to the assets specified in such notice.
- (g) Each Grantor covenants not to create (other than pursuant to this document or any other Security Interest in favour of the Security Trustee) any Security Interest (whether having priority over, or ranking pari passu with or subject to the floating charge created above) over any Floating Charge Property or to take any other step referred to above save where permitted to do so by this document or save with the prior written approval of the Security Trustee .
- (h) Each Grantor covenants not to sell, transfer, part or dispose of any Floating Charge Property except:
 - (i) with the prior written approval of the Security Trustee ; or
 - (ii) where permitted to do so by this document.

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2.4 **Priority**

The Security Interests granted in clause 2.1 are intended to take effect as a first ranking security subject only to those Permitted Security Interests which the Security Trustee (acting on the instructions of the Lender) agrees in writing rank in priority to them.

2.5 **Scope of Security Interest**

- (a) the Security Interest granted in clause 2.1 is in all of the relevant Grantor's present and after-acquired property.
- (b) Clause 2.5(a) does not limit clause 2.1.

2.6 **Acknowledgment of no subordination**

Each Grantor acknowledges that the Security Trustee has not agreed to subordinate its Security Interests in the Secured Property to any other interest in the Secured Property, except to the extent (if any) expressly provided by a Transaction Document.

2.7 **Collateral Security**

The Security Interests granted in clause 2.1 are collateral to and secure the same money as is secured by the Collateral Securities.

2.8 **No assignment of obligations**

To the extent that the grant of any security interest under clause 2.1 operates as a transfer, each Grantor will at all times remain liable to perform and observe all its duties and obligations in connection with that Secured Property and the Security Trustee will not have any obligation or liability to any counterparty or to any other person to perform any of those duties and obligations.

3. **DEALINGS WITH SECURED PROPERTY**

3.1 **Restricted dealings**

- (a) Subject to clause 3.1(b), no Grantor must do or agree to do, any of the following unless it is permitted to do so by clause 3.2 or another provision in a Transaction Document:
 - (i) create or allow another interest in any Secured Property other than a Permitted Security Interest; or
 - (ii) dispose, or part with possession, of any Secured Property, other than by way of a Permitted Security Interest.
- (b) Where by law the Security Trustee may not restrict the creation of any Security Interest in an asset ranking after the Security Interests granted in clause 2.1:
 - (i) clause 3.1(a) will not restrict that creation; and
 - (ii) each Grantor must ensure that before that Security Interest is created the holder of that Security Interest enters into a deed of priority in form and substance satisfactory to the Security Trustee. Each of the Security Trustee and the Lender is not required to provide or make available any advance or financial accommodation to the Grantor until the deed of priority is entered into on terms satisfactory to the Security Trustee.

3.2 Permitted dealings

- (a) Each Grantor may do any of the following in the ordinary course of its ordinary business unless it is prohibited from doing so by another provision in a Transaction Document:
 - (i) create or allow another interest in, or dispose or part with possession of, any Secured Property which is a Revolving Asset; or
 - (ii) withdraw or transfer money from an account with a bank or other financial institution.
- (b) Each Grantor must give the Security Trustee:
 - (i) prompt notice of any transfer of Secured Property or an interest in it in breach of this clause 3; and
 - (ii) any information requested by the Security Trustee in relation to the transferee to enable the Security Trustee to perfect the Security Interests granted in clause 2.1 as against the transferee.
- (c) Each Grantor acknowledges that any notification under clause 3.2(b) does not cure the breach of the undertaking in clause 3.2(a).

3.3 Revolving Assets

If a Control Event occurs in respect of any Secured Property then automatically:

- (a) that Secured Property is not (and immediately ceases to be) a Revolving Asset;
- (b) any floating charge over that Secured Property immediately operates as a fixed charge;
- (c) if the Secured Property is accounts (as defined in the PPSA) or chattel paper, it is transferred to the Security Trustee by way of security; and
- (d) a Grantor may no longer deal with the Secured Property under clause 3.2.

3.4 Conversion to Revolving Assets

If any Secured Property is not, or ceases to be, a Revolving Asset, and becomes subject to a fixed charge or transfer under this clause 3, the Security Trustee may give the relevant Grantor a notice stating that, from a date specified in the notice, the Secured Property specified in the notice is a Revolving Asset, or becomes subject to a floating charge or is transferred back to the relevant Grantor. This may occur any number of times.

3.5 Inventory

Any inventory which is not, or ceases to be, a Revolving Asset is specifically appropriated to a security interest under this document. A Grantor may not remove it without obtaining the specific and express authority of the Security Trustee to do so.

4. REPRESENTATIONS AND WARRANTIES

4.1 General representations and warranties

Each Grantor represents and warrants to the Security Trustee in the terms set out in clause 11 (Representations and warranties) of the Loan Agreement (Citizen).

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4.2 Representations and warranties regarding Secured Property

Each Grantor represents and warrants to the Security Trustee that:

- (a) **(Secured Property)**
 - (i) it is the sole legal and beneficial owner of that property;
 - (ii) the Security Interests granted in clause 2.1 are an effective security in the Secured Property, except to the extent (if any) set out in any Transaction Document or that the Security Trustee may otherwise agree; and
- (b) **(no other interest)** no other person has any interest in or other right over the Secured Property except:
 - (i) to the extent (if any) set out in any Transaction Document;
 - (ii) Permitted Security Interests; or
 - (iii) as otherwise agreed by the Security Trustee (acting on the instructions of the Lender);

4.3 Repetition of representations and warranties

The representations and warranties in this clause are taken to be repeated on each date that any representation and warranty in the Loan Agreement (Citizen) is repeated, on the basis of the facts and circumstances as at that date.

4.4 No representations by the Security Trustee

Each Grantor acknowledges that it has not relied and will not rely on any financial or other advice, representation, statement or promise provided or made by or on behalf of the Security Trustee in deciding to enter into this document or to exercise any right or perform any obligation under it.

5. GRANTORS' UNDERTAKINGS

5.1 General undertakings

Each Grantor must:

- (a) **(obligation to pay)** punctually pay the Secured Money when it becomes payable in accordance with the terms of any written agreement between the relevant Grantor and the Security Trustee or, in the absence of any agreement or after default under any agreement, on demand by the Security Trustee (acting on the instructions of the Lender);
- (b) **(perform obligations)** perform all its other obligations under the other Transaction Documents to which it is a party;
- (c) **(keep Books)** keep proper books and records and permit the Security Trustee or its representatives on request to examine and take copies of them;
- (d) **(no administrator)** not appoint an administrator without notice to the Security Trustee;
- (e) **(registration and stamping)** at its own cost ensure that this document is immediately registered with any Government Agency specified by the Security Trustee if the Security Trustee (acting on the instructions of the Lender)

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determines that registration is necessary to perfect the Security Interests granted in clause 2.1 or to protect the rights or priority of the Security Trustee.

- (f) **(change in name or other details)** give the Security Trustee at least 30 Business Days' prior notice of any change to its name or any other Obligor, together with details of the proposed new name; and
- (g) **(registration details)** give the Security Trustee all information that the Security Trustee needs in order to ensure that any registration of the Security Interests granted in clause 2.1 on any register that the Security Trustee (acting on the instructions of the Lender) chooses is, and remains, fully effective or perfected (or both), and that those Security Interests have the priority contemplated by clause 2.4; and
- (h) **(Loan Agreement (Citizen) undertakings)** comply with each of the terms set out in clause 12 (Undertakings) of the Loan Agreement (Citizen).

5.2 **Processed or commingled goods**

The Grantors must not, without the Security Trustee's consent, permit any Secured Property:

- (a) to become a fixture or an accession to anything that is not also Secured Property; or
- (b) to be manufactured, processed, assembled or commingled with anything that is not also Secured Property.

5.3 **Other undertakings regarding Secured Property**

Each Grantor must:

- (a) **(outgoings)**
 - (i) punctually pay all outgoings (including rent and Taxes) payable by it, except to the extent that:
 - (A) these are being diligently contested in good faith and by appropriate proceedings;
 - (B) it has made adequate reserves for them; and
 - (C) failure to pay them will not have a Material Adverse Effect on it or prejudice the Secured Property;
 - (ii) pay the contested amount after the final determination or settlement of the relevant contest; and
 - (iii) on request by the Security Trustee (acting on the instructions of the Lender), immediately hand to the Security Trustee evidence of every payment covered by this undertaking or required under this document;
- (b) **(maintenance)**
 - (i) maintain the Secured Property in a good and substantial state of repair and in good working order and condition; and

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- (ii) immediately remedy every defect in the repair and condition of the Secured Property (fair wear and tear excepted) if required to do so by the Security Trustee (acting on the instructions of the Lender);
- (c) **(not alter Secured Property)** ensure that:
 - (i) no material alteration is made to the Secured Property; and
 - (ii) no material variation, waiver, release, rescission, repudiation or termination is made to or in connection with any document or agreement included in or relating to the Secured Property,except to the extent (if any) permitted under this document or with the consent of the Security Trustee (acting on the instructions of the Lender);
- (d) **(acquisition of additional property)**
 - (i) immediately notify the Security Trustee if it becomes bound to complete the acquisition of any:
 - (A) real property (freehold or leasehold); or
 - (B) Marketable Securities outside the ordinary course of its ordinary business; and
 - (ii) give the Security Trustee promptly on request a list as required by the Security Trustee (acting on the instructions of the Lender) of all Marketable Securities held by it;
- (e) **(possession)**
 - (i) if it receives any deed or document of title relating to any Secured Property, or if it receives any negotiable or other instrument or security, immediately hand it to the Security Trustee together with duly executed blank transfers, but it is not required to do this for any Marketable Securities and any negotiable or other instruments or securities acquired in the ordinary course of its ordinary business except if required by the Security Trustee (acting on the instructions of the Lender); and
 - (ii) do anything required by the Security Trustee (acting on the instructions of the Lender) to ensure that the Security Trustee's Security Interest in any Marketable Security, instrument or security (negotiable or otherwise) is recorded by any relevant clearing house or securities depository and, in the case of a Marketable Security, on the records maintained by or on behalf of the relevant issuer, or on the records of any sponsor, nominee or agent that holds a Marketable Security for the applicable Grantor;
- (f) **(Authorisations)** obtain, maintain and renew at the proper times all Authorisations necessary or desirable in relation to its business and comply with any conditions to which any such Authorisation is expressed to be subject;
- (g) **(calls on capital)** not, without the Security Trustee's consent (acting on the instructions of the Lender):
 - (i) call up or receive in advance of calls any of the uncalled capital secured by this document; and
 - (ii) apply the uncalled capital to any purpose except towards payment of the Secured Money;

- (h) **(carrying on business)**
 - (i) carry on its business in a proper and efficient manner; and
 - (ii) not make any substantial change to the general nature or scope of its business from that carried on at the date of this document (other than an extension of the business to include related activities) without the consent of the Security Trustee (acting on the instructions of the Lender);
- (i) **(property or business outside jurisdiction)** immediately notify the Security Trustee if:
 - (i) more than 10% of Secured Property (excluding book and other debts) is located in any jurisdiction other than a jurisdiction in which that percentage of the Secured Property is located at the date of this document; or
 - (ii) the Grantor starts to carry on business or establishes a place of business in any jurisdiction except the jurisdictions in which it:
 - (A) is registered;
 - (B) is carrying on business; or
 - (C) has a place of business,at the date of this document;
- (j) **(preserve and protect security)** promptly do everything necessary or reasonably required by the Security Trustee (acting on the instructions of the Lender) to:
 - (i) preserve and protect the value of the Secured Property; or
 - (ii) protect and enforce its title and rights and the Security Trustee's title as secured party to the Secured Property;
- (k) **(book and other debts)**
 - (i) collect and realise all book and other debts and other receipts due to it in the ordinary course of its business;
 - (ii) if so required at any time by the Security Trustee (acting on the instructions of the Lender);
 - (A) open and maintain the Proceeds Account and appoint, as the only signatories on that account, persons nominated by the Security Trustee (acting on the instructions of the Lender);
 - (B) except to the extent that the Security Trustee (acting on the instructions of the Lender) otherwise agrees in writing, pay the proceeds of the collections and realisations of its book and other debts into the Proceeds Account;
 - (C) not withdraw any money standing to the credit of the Proceeds Account without the consent of the Security Trustee (acting on the instructions of the Lender); and
 - (D) at the request of the Security Trustee (acting on the instructions of the Lender), ensure that the account bank enters into a priority

agreement with the Security Trustee to give the Security Trustee priority over any Security Interest that the account bank may have in relation to the Proceeds Account at any time;

- (l) (**comply with obligations**) do everything a Grantor is required to do under or in connection with Secured Property;
- (m) (**valuations**) provide as soon as practicable after a request by the Security Trustee (acting on the instructions of the Lender) (which, before the occurrence of an Event of Default, must not be made more frequently than once in any period of 12 months) a valuation of all or any part specified by the Security Trustee (acting on the instructions of the Lender) of the Secured Property on the basis and by a valuer approved by the Security Trustee (acting on the instructions of the Lender);
- (n) (**chattel paper**) if the Security Trustee (acting on the instructions of the Lender) requests, give the Security Trustee possession of any Secured Property that is chattel paper;
- (o) (**nameplates**) if the Security Trustee (acting on the instructions of the Lender) requests:
 - (i) affix to any Secured Property a readily visible fireproof plate or sign that:
 - (A) brings the existence of the Security Trustee's interest in that property to the attention of other persons; and
 - (B) states that a disposal of that property or the granting of a Security Interest in that property which is not otherwise permitted under a Transaction Document will breach that Transaction Document; and
 - (ii) not remove or change, or allow any person to remove or change, that plate or sign without the consent of the Security Trustee (acting on the instructions of the Lender).

5.4 **Undertakings relating to insurance**

Each Grantor must:

- (a) (**insure**) keep the Secured Property that is of an insurable nature insured:
 - (i) against the risks and in the amounts that are prudent or usual for a person conducting a similar business, with sound and reputable insurers; or
 - (ii) on the terms that the Security Trustee (acting on the instructions of the Lender) requires;

and must provide the Security Trustee on request with details of the insurance and evidence that it is in full force and that all premiums have been paid;

- (b) (**apply proceeds**) if any of the Secured Property is lost or damaged from any cause covered by Insurance, at the option of the Security Trustee (acting on the instructions of the Lender), apply any sum received on account of any Insurance towards replacement, reconstruction or repair of the affected Secured Property or towards repayment of the Secured Money (whether due or not); and
- (c) (**claims**) allow the Security Trustee (acting on the instructions of the Lender) to:
 - (i) make, enforce, settle or compromise claims relating to the Insurances; and

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- (ii) demand, sue for, recover and give discharge for all money payable under the Insurances (whether those Insurances are in the name of the Security Trustee or a Grantor or both, and whether or not those Insurances cover property other than the Secured Property).

5.5 Each Grantor shall immediately after execution of this document:

- (a) create and maintain a Register of Charges for to the extent this has not already been done in accordance with Section 162 of the BVI Act;
- (b) enter particulars as required by the BVI Act of the security interests created pursuant to this document in the Register of Charges and immediately after entry of such particulars has been made, provide the Security Trustee with a certified true copy of the updated Register of Charges;
- (c) effect registration, or assist the Security Trustee in effecting registration, of this document with the Registrar of Corporate Affairs pursuant to Section 163 of the BVI Act by making the required filing, or assisting the Security Trustee in making the required filing, in the approved form with the Registrar of Corporate Affairs and (if applicable) provide confirmation in writing to the Security Trustee that such filing has been made; and
- (d) Each Grantor shall, immediately on receipt, deliver or procure to be delivered to the Security Trustee, the certificate of registration of charge issued by the Registrar of Corporate Affairs evidencing that the requirements of Part VIII of the BVI Act as to registration have been complied with and the filed stamped copy of the application containing the relevant particulars of charge.

5.6 The following shall apply with respect to statutory restrictions:

- (a) the restriction on the consolidation of mortgages and on power of sale imposed by Sections 35 and 40 respectively of the CLP Ordinance shall not apply to the security constituted by this document;
- (b) for the purposes of Section 66(5) of the BVI Act there are no limitations on the remedies available to a mortgagee, Security Trustee or receiver in respect of mortgages or charges of shares;
- (c) for the purposes of Section 66(7)(a) and Section 66(7)(b) of the BVI Act, the remedies available in Section 66(5) of the BVI Act shall not be exercisable until:
 - (i) a period of one hour has elapsed from the occurrence of an Event of Default; and
 - (ii) the Event of Default has not been rectified within one hour of service of a notice specifying the default and requiring rectification thereof.
- (d) For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have fallen due on the date of this document. The power of sale and other powers conferred by Sections 38 and 39 of the CLP Ordinance and all other enforcement powers conferred by this document shall be immediately exercisable at any time after the occurrence of an Event of Default.
- (e) If there is any ambiguity or conflict between the powers contained in the Insolvency Act and/or the CLP Ordinance and those contained in this document, those contained in this document shall prevail.
- (f) Section 46(1) of the CLP Ordinance shall not apply to this document.

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- (g) Section 46(6) of the CLP Ordinance shall not apply to a receiver appointed under this document.

6. SECURITY TRUSTEE'S POWERS

6.1 No notice required unless mandatory

To the extent the law permits, each Grantor waives:

- (a) its rights to receive any notice that is required by any law before a secured party or a Receiver exercises a power, right, discretion or remedy; and
- (b) any time period that must otherwise lapse under any law before a secured party or a Receiver exercises a power, right, discretion or remedy.

If the law which requires a period of notice or a lapse of time cannot be excluded, but the law provides that the period of notice or lapse of time may be agreed, that period or lapse is one day or the minimum period the law allows to be agreed (whichever is the longer).

6.2 Security Trustee's right to make good a default

- (a) If a Grantor breaches this document, the Security Trustee may do everything it considers to be necessary or desirable to attempt to remedy the breach to the Security Trustee's satisfaction. The Security Trustee is not obliged to do so. Any liabilities or expenses incurred by the Security Trustee in attempting to remedy any such breach must be reimbursed by the applicable Grantor on demand.
- (b) Clause 6.2(a) does not limit any other right the Security Trustee has under this document or at law.

6.3 Powers on enforcement

If this document has become enforceable, the Security Trustee or any of its Authorised Representatives (acting on the instructions of the Lender), without notice to any Grantor, may:

- (a) exercise any of the powers that might be exercised by a Receiver even if a Receiver has not been appointed and without any need to take possession and without being liable as mortgagee in possession; and
- (b) complete any transfer or instrument of any nature executed by or on behalf of the applicable Grantor in blank and deposited with the Security Trustee as Collateral Security, in favour of the Security Trustee or any appointee of the Security Trustee or any other person.

6.4 Inspection

The Security Trustee or any of its Authorised Representatives may enter without notice at any reasonable time on any land or building occupied by a Grantor or forming part of the Secured Property or in which any goods that form part of the Secured Property are located to:

- (a) inspect their state and condition; and
- (b) inspect and take copies of or extracts from any books and records and statutory registers that in any way relate to Secured Property or a Grantor's business.

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6.5 Calls

- (a) If this document has become enforceable, each Grantor authorises the Security Trustee, each of the Security Trustee's Authorised Representatives and any Receiver to:
- (i) make calls its members in relation to the applicable Grantor's uncalled capital;
 - (ii) sue (in the name of a Grantor or otherwise) to recover money due in relation to calls; and
 - (iii) give valid receipts for that money.

If this document has become enforceable, a Grantor's directors may not do so.

- (b) This authority is not terminated by any change in a Grantor's directors and is assignable.

7. POWER OF ATTORNEY

7.1 Appointment of Attorneys

Each Grantor irrevocably appoints the Security Trustee and each Authorised Representative of the Security Trustee, and as an independent appointment appoints any Receiver, severally its attorney, at the Grantors cost, to:

- (a) **(all acts necessary)** do anything necessary or desirable in the opinion of the Security Trustee or the Attorney to:
- (i) complete this document;
 - (ii) give full effect to this document;
 - (iii) better secure, preserve, perfect or give effect to the Secured Property to the Security Trustee in a manner consistent with this document; or
 - (iv) assist in the execution or exercise of any power under this document, including execute any transfer (including any transfer in blank) or other document;
- (b) do all or any of the following while an Event of Default is continuing:
- (i) **(recover Secured Property)** demand, sue for, recover and give discharge for the Secured Property;
 - (ii) **(commence actions)** commence, carry on, enforce, settle, arrange and compromise any proceedings to obtain or enforce the payment or delivery of the Secured Property;
 - (iii) **(bankruptcy and winding up)** take any necessary proceedings to procure the bankruptcy or the winding up of any debtor of a Grantor in connection with the Secured Property, and attend and vote at meetings of creditors, receive dividends in any bankruptcy or winding up or appoint a proxy for any of these things;
 - (iv) **(compound debts)** compound, settle or compromise any debt of a Grantor in connection with the Secured Property;

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- (v) **(execute deeds)** execute any agreement including any deed of assignment, composition or release in connection with the Secured Property;
- (vi) **(exercise rights)** exercise all or any powers, rights, discretions and remedies available to a Grantor in connection with the Secured Property (including rights available under the Corporations Act or any other statute); and
- (vii) **(general)** do anything else that a Grantor must or may do, or that the Security Trustee may do, under this document or by law.

7.2 General

- (a) Each Attorney may appoint and remove substitutes, and may delegate its powers (including this power of delegation) and revoke any delegation.
- (b) An Attorney may do anything contemplated by this clause even if the Attorney is affected by an actual or potential conflict of interest or duty, or might benefit from doing it.
- (c) An Attorney may do anything contemplated by this clause in its name, in the name of a Grantor or in the name of both of them.
- (d) Each Grantor must ratify anything done by an Attorney under this clause.
- (e) Each Grantor gives the power of attorney in this clause:
- (i) to secure performance by a Grantor of its obligations to the Security Trustee under this document and any property interest of the Security Trustee under this document; and
 - (ii) for valuable consideration, receipt of which is acknowledged by each Grantor.

8. ENFORCEMENT

8.1 Circumstances when this document may be enforced

The Secured Money will immediately become payable at the Security Trustee's option (acting on the instructions of the Lender) (despite any delay or previous waiver of the right to exercise that option) without the need for any demand or notice under this document or under another Transaction Document, and this document will immediately become enforceable (whether or not the Secured Money has become payable in this manner) if any of the following events occurs:

- (a) **(non-payment)** if an Obligor fails to pay any amount that is due and payable by it under a Transaction Document when it is due;
- (b) **(Insolvency Event)** if an Insolvency Event occurs in respect of an Obligor; or
- (c) **(other Event of Default)** if an Event of Default (as defined in the Loan Agreement (Citizen)) occurs.

8.2 Enforcement despite earlier payment

This document may be enforced:

- (a) even if the Security Trustee accepts a payment of interest or other amount after the occurrence of any Event of Default; and

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- (b) without the need for any notice to, or of any consent or agreement of, a Grantor or any other person.

9. APPOINTMENT OF RECEIVER

9.1 Appointment

If this document has become enforceable (whether or not the Security Trustee has entered into possession of all or any of the Secured Property) the Security Trustee or any Authorised Representative of the Security Trustee may at any time:

- (a) appoint any person or any two or more persons jointly and severally to be a receiver or receiver and manager (or an additional receiver or receiver and manager) of Secured Property;
- (b) remove the Receiver and in case of the removal, retirement or death of any Receiver appoint another as a replacement; and
- (c) fix the remuneration of the Receiver.

Subject to clause 9.2, every Receiver appointed under this subclause will be a Grantor's agent and the Grantors alone will be responsible for the Receiver's acts and defaults and remuneration.

9.2 Receiver other than as Grantors' agent

- (a) The Security Trustee by notice to a Grantor and the Receiver may require the Receiver to act as the Security Trustee's agent.
- (b) The power to appoint a Receiver under this clause may be exercised even though:
 - (i) at the time when this document becomes enforceable or when an appointment is made, an order may have been made or a resolution may have been passed to wind up a Grantor; or
 - (ii) a Receiver appointed in the circumstances specified in the preceding paragraph may not, or may not in some respects, act as a Grantor's agent.

9.3 Powers of Receiver

The Receiver will have full power to do all or any of the following:

- (a) **(manage, possession, control)** manage, take possession of, or take control of, collect and get in the Secured Property and for that purpose to take proceedings (in the name of a Grantor or otherwise);
- (b) **(give up possession)** give up possession of the Secured Property;
- (c) **(exercise Security Trustee's rights)**
 - (i) exercise all or any of the Security Trustee's powers, rights, discretions and remedies under this document; and
 - (ii) comply with the directions given by the Security Trustee;
- (d) **(carry on business)**
 - (i) carry on or agree to carry on the business of a Grantor in and with the Secured Property and to stop doing so; and

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- (ii) effect all repairs, purchases and Insurances, and generally to do everything that a Grantor might do in the ordinary conduct of its business to:
 - (A) protect or improve the Secured Property; or
 - (B) obtain income or returns from the Secured Property and to conduct a Grantor's business,

without being responsible for any loss;

(e) **(borrow)**

- (i) borrow from a financial institution or (with the consent of the Security Trustee (acting on the instructions of the Lender)) any other person any money that may be required for any of the purposes mentioned in clause 9.3(d); and
- (ii) (in the name of a Grantor or otherwise) secure any money borrowed by granting a Security Interest in the Secured Property so that the Security Interest may rank in priority to, equally with or after the Security Interests granted in clause 2.1,

without the Security Trustee being bound to enquire whether the borrowing is necessary or proper or responsible for the misapplication or non-application of any money borrowed;

- (f) **(hire out, lease or license)** hire out, lease or license the Secured Property (including in the name of a Grantor) for any term at the rent or licence fee and on terms that seem desirable to the Receiver (with or without a purchase option and whether or not the Receiver has taken possession);
- (g) **(exercise rights)** exercise all or any powers, rights, discretions and remedies of a Grantor or in connection with the Secured Property (including rights available under the Corporations Act or any other statute);
- (h) **(registration)** do everything necessary to obtain registration of the Secured Property in the Security Trustee's name or in the name of the Security Trustee's nominee;
- (i) **(settle disputes)**
 - (i) settle, arrange and compromise any accounts, claims, questions or disputes that may arise in connection with a Grantor's business or the Secured Property or in any way relating to this document; and
 - (ii) execute releases or other discharges in relation to the settlement, arrangement, or compromise;
- (j) **(sell)** sell (whether or not the Receiver has taken possession), exchange or otherwise dispose of (absolutely or conditionally) the Secured Property (or agree to do so):
 - (i) whether or not a Grantor has carried out any work on the Secured Property or otherwise prepared the Secured Property for sale;
 - (ii) with or without other property;
 - (iii) by public auction, private sale or tender for cash or on credit;

- (iv) whether or not the reserve price for a sale by auction or tender is disclosed;
- (v) in one lot or in parcels;
- (vi) with or without special conditions, (such as conditions as to title or time or method of payment of purchase money) including by allowing the purchase money to remain:
 - (A) outstanding on any security over the property sold or over any other property; or
 - (B) owing without any security; and
- (vii) on other terms the Receiver considers desirable,
without being responsible for any loss;
- (k) (**transfer on sale**) execute transfers and assignments of the Secured Property (including in the name of a Grantor), and do everything to complete any sale under clause 9.3(j) that the Receiver thinks necessary;
- (l) (**insure**) insure the Secured Property that is of an insurable nature against risks of destruction, loss or damage for the amounts and on the terms that the Receiver thinks appropriate;
- (m) (**sever fixtures**) sever fixtures belonging to a Grantor and sell them apart from any other part of the Secured Property;
- (n) (**employees and agents**) engage employees, agents, consultants, lawyers, advisers and contractors for any of the purposes of this clause on terms that the Receiver thinks appropriate;
- (o) (**give receipts**) give receipts for all money and other property that may come into the hands of the Receiver in exercise of any power given by this document;
- (p) (**enforce contracts**) carry out and enforce or otherwise obtain the benefit of all contracts:
 - (i) entered into or held by a Grantor in connection with the Secured Property; or
 - (ii) entered into in exercise of the powers given by this document;
- (q) (**make debtors bankrupt**) make debtors bankrupt and wind up companies or other applicable entities and do everything in connection with any bankruptcy or winding up that the Receiver thinks desirable to recover or protect Secured Property;
- (r) (**perform undertakings**) do everything necessary to perform any undertaking of a Grantor in this document;
- (s) (**receive money**) receive all money or other property payable or deliverable to a Grantor from the Secured Property;
- (t) (**Proceeds Account**) operate the Proceeds Account (including making deposits and withdrawals in connection with any of the above);

- (u) **(desirable or incidental matters):**
- (i) do or cause to be done everything that the Receiver thinks desirable in the interests of the Security Trustee; and
 - (ii) do anything incidental to the exercise of any other power;
- (v) **(take legal proceedings)** take proceedings (including in the name of a Grantor) in connection with any of the above; and
- (w) **(delegate)** with the consent of the Security Trustee (acting on the instructions of the Lender) delegate any of the powers given to the Receiver by this clause to any person.

10. PROTECTION OF SECURITY TRUSTEE AND APPOINTEES

10.1 Protection of Security Trustee and Receiver

- (a) The Security Trustee is not obliged to, but may, do the following if directed by the Lender:
- (i) notify any debtor or member of a Grantor or any other person of this document; or
 - (ii) enforce payment of any money payable to a Grantor, or take any step or proceeding for any similar purpose.
- (b) No Finance Party, nor any of its Authorised Representatives or agents, any Attorney or any Receiver is liable for any omission or delay in exercising any power, right, discretion or remedy under this document or for any involuntary loss or irregularity that may occur in relation to the exercise or non-exercise of any of them except to the extent that it is a direct and foreseeable result of its own fraud, gross negligence or wilful misconduct.

10.2 Conflict of interests

The Security Trustee, an Authorised Representative or agent of the Security Trustee, an Attorney, Receiver or other person appointed by the Security Trustee under this document may exercise or agree to exercise a power given by this document or by law even though that person may have a conflict of interests in exercising the power.

10.3 Liability for loss

- (a) None of the Security Trustee, an Authorised Representative or agent of the Security Trustee, an Attorney, a Receiver or any other person appointed by the Security Trustee under this document is liable for any loss that a Grantor suffers as a direct or indirect result of:
- (i) the exercise or attempted exercise of, or failure to exercise, any of its rights contained in this document; and
 - (ii) any release or dealing with any other Guarantee or Security Interest (including any prejudice to or loss of a Grantor's rights of subrogation),
- except to the extent that such loss is a direct and foreseeable result of its own fraud, gross negligence or wilful misconduct.

- (b) If the Security Trustee, any agent of the Security Trustee or a Receiver enters into possession of Secured Property, none of the Security Trustee, any of its Authorised Representatives or agents, any Attorney or any Receiver is liable:
- (i) to account as a secured party in possession or for anything except actual receipts; or
 - (ii) for any loss on realisation or for any default or omission for which a secured party in possession might be liable, except to the extent that it is a direct and foreseeable result of its own fraud, gross negligence or wilful misconduct.

11. PROTECTION OF THIRD PARTIES

11.1 Dealings under this document

A purchaser or other party to a disposal or dealing in attempted exercise of a power contained in this document is not:

- (a) bound to enquire whether an Event of Default has occurred, whether this document has become enforceable, whether a Receiver has been properly appointed or about the propriety or regularity of a sale, disposal or dealing; or
- (b) affected by notice that a sale, disposal or dealing is unnecessary or improper.

Despite any irregularity or impropriety in a sale, disposal or dealing, it is to be treated, for the protection of the purchaser or other party to the disposal or dealing, as being authorised by this document and valid.

11.2 Receipts

A receipt that the Security Trustee, one of its Authorised Representatives or agents or a Receiver gives for any money payable to or receivable by the Security Trustee or the Receiver because of this document will:

- (a) relieve the person paying or handing over money or other property from all liability:
 - (i) for the application (or any loss or misapplication) of the money or other property;
 - (ii) to enquire whether the Secured Money has become payable; and
 - (iii) (where appropriate) as to the propriety or regularity of the appointment of the Receiver; and
- (b) discharge the person paying that money from its liability to pay that money.

12. APPLICATION OF MONEY

12.1 Order

Any moneys received or recovered by the Security Trustee or any Receiver pursuant to this document shall be applied in the order and manner specified by the Security Trust Deed.

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12.2 **Only actual receipts credited**

In applying any money towards the Secured Money, a Grantor's account will be credited only with the amount of the money that the Security Trustee actually receives for that purpose. The credit will date from the time of receipt.

12.3 **Compensation**

If any compensation becomes payable for the Secured Property, the Security Trustee (acting on the instructions of the Lender) may:

- (a) apply the sum received on account of any compensation, at the Security Trustee's option, in or towards repayment of the Secured Money;
- (b) make, enforce, settle or compromise any claims relating to compensation; and
- (c) execute any necessary assurances and releases in the name of a Grantor and the Security Trustee.

If any compensation comes into the hands of a Grantor before a final irrevocable discharge of this document, a Grantor must immediately pay it to the Security Trustee.

12.4 **Certificates and disputes**

- (a) The Security Trustee may rely on a certificate issued by any person who claims to be entitled to any money received from the exercise of any right in relation to the Secured Property which states that a Grantor owes it a certain amount of money, without making any further enquiry.
- (b) If there is any dispute between any persons (other than the Security Trustee) regarding an entitlement to receive any money received from the exercise of any right in relation to the Secured Property, the Security Trustee (acting on the instructions of the Lender) may pay that money into court, and after doing so does not have any further obligation in respect of that money.

12.5 **No interest**

The Security Trustee is not obliged to pay interest to any person on any money received from the exercise of any right in relation to the Secured Property.

12.6 **Payment into bank account**

The Security Trustee or the Receiver may pay any money to the credit of a bank account in the name of a person to whom it is obliged to pay any money received from the exercise of any right in relation to the Secured Property, and having done so is under no further liability in respect of that money.

12.7 **Amounts contingently due**

- (a) If any part of the Secured Money is contingently owing to the Security Trustee when money is being applied under clause 12.1 the Security Trustee or Receiver may:
 - (i) retain an amount equal to the amount contingently owing, or any part of it; and
 - (ii) put that amount in an interest-bearing account, payable at call.

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(b) If the amount which is contingently owing:

- (i) becomes payable; or
- (ii) ceases to be contingently owing,

the Security Trustee or Receiver must apply the amount retained (and any interest earned on it) in accordance with clause 12.1.

13. CONTINUING SECURITY

13.1 Continuity

Each Security Interest granted in clause 2.1:

- (a) is a continuing security, and remains in full force until a final irrevocable discharge of that Security Interest is given to each Grantor under clause 15 despite any transaction or other thing (including a settlement of account or intervening payment); and
- (b) will apply to the present and future balance of the Secured Money.

13.2 Limitations on Grantors' rights

Until the Secured Money has been irrevocably paid and discharged in full, a Grantor may not:

- (a) share in any Guarantee, Security Interest or money received or receivable by the Security Trustee in relation to the Secured Money or stand in the place of the Security Trustee in relation to any Guarantee, Security Interest or right to receive money;
- (b) in reduction of its liability under this document, raise a defence, set off or counterclaim against the Security Trustee or claim a set off or make a counterclaim against the Security Trustee; or
- (c) claim to be entitled by way of contribution, indemnity, subrogation, marshalling or otherwise to the benefit of any document or agreement to which the Security Trustee is a party.

13.3 No marshalling

The Security Trustee is not under any obligation to marshal or appropriate in favour of a Grantor or to exercise, apply, perfect or recover any Security Interest that the Security Trustee holds at any time or any funds or property that the Security Trustee may be entitled to receive or have a claim on.

13.4 Effect of Insolvency Event

- (a) If an Insolvency Event has occurred in relation to an Obligor, any amount paid by that Obligor (**relevant payment**) will only be applied against any Secured Money if:
 - (i) the Security Trustee is advised by its lawyers (which advice will be conclusively binding on a Grantor) that it will not be required to pay the relevant payment to any person under any law relating to bankruptcy, winding up or the protection of creditors; or

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- (ii) a final judgment is given by a court of competent jurisdiction in favour of the Security Trustee that it is not required to pay the relevant payment to any person under any law relating to bankruptcy, winding up or the protection of creditors.
 - (b) If an amount is applied against any Secured Money and the Security Trustee pays or determines that it is obliged to pay the relevant amount to any person under any law relating to bankruptcy, winding up or the protection of creditors:
 - (i) the Security Trustee's rights are to be reinstated and will be the same in relation to that amount as if the application, or the payment or transaction giving rise to it, had not been made; and
 - (ii) a Grantor must immediately do anything (including the signing of documents) required by the Security Trustee to restore to the Security Trustee any Guarantee or Security Interest to which it was entitled immediately before that application or the payment or transaction giving rise to it.
 - (c) Any discharge or release between the Security Trustee and a Grantor is subject to reinstatement of the Security Trustee's rights under this subclause.

13.5 Notice of other interests in Secured Property

- (a) If a Finance Party receives notice of a subsequent interest in any Secured Property, it may open a new account in any Grantor's name in the books of the Finance Party.
- (b) If the Finance Party does not open a new account under clause 13.5(a), it is taken to have done so at the time it received notice of the subsequent interest.
- (c) From the time the new account is opened or taken to be opened, the following amounts will be, or will be taken to be, debited or credited (as applicable) to the new account:
 - (i) all financial accommodation made by the Finance Party to a Grantor; and
 - (ii) all payments and repayments made by a Grantor to the Finance Party.
- (d) Payments, repayments and other amounts from the new account will only be applied in reduction of other Secured Money to the extent there is no debit balance in that account.
- (e) If requested by the Security Trustee (acting on the instructions of the Lender), a Grantor must ensure that any other holder of a Security Interest in Secured Property enters into an agreement with the Security Trustee:
 - (i) under which the holder agrees that the Security Trustee's Security Interests rank ahead of that holder's Security Interest, for all the amount owing that is incurred after that holder's Security Interest was granted; and
 - (ii) which is otherwise satisfactory to the Security Trustee (acting on the instructions of the Lender) in form and substance.
- (f) The Finance Party may notify any Grantor that its obligation to provide further advances or financial accommodation under any Transaction Document is terminated, in which case its obligation to do so terminates immediately, if:

- (i) the Finance Party receives notice of a subsequent Security Interest (other than a Permitted Security Interest) which affects any Secured Property; and
- (ii) it is of the opinion that any further financial accommodation provided to a Grantor will not rank ahead of that subsequent Security Interest.
- (g) If this clause 13.5 is inconsistent with any other provision of this document, this clause prevails to the extent of the inconsistency.

14. INDEMNITIES

14.1 Indemnities

Clauses 9.5 (**Currency indemnity**), 14 (**Increased Costs**) and 16 (**Indemnity**) of the Loan Agreement (Citizen) apply to this document as if set out in full in the document, mutatis mutandis.

14.2 Indemnity for exercise of rights or proceedings

To the extent permitted by law, each Grantor must indemnify each of the Security Trustee, each Authorised Representative and agent of the Security Trustee, each Receiver and Attorney of a Grantor and any other person appointed under this document or the Corporations Act by or on behalf of the Security Trustee as secured party under this document against, and must pay each of them on demand the amount of all losses, liabilities, costs, expenses and Taxes (other than Excluded Taxes) that they each incur:

- (a) (directly or indirectly) in the exercise or attempted exercise of any of the powers, rights, discretions or remedies (express or implied) vested in them under this document or applicable law; and
- (b) in connection with all proceedings, expenses, claims and demands in relation to anything done or omitted in any way relating to Secured Property,

including legal expenses on a full indemnity basis and expenses incurred in engaging consultants except to the extent that any such losses, liabilities, costs, expenses and Taxes are a direct and foreseeable result of the fraud, gross negligence or wilful misconduct of that person.

14.3 Recovery from Secured Property

A person who is entitled to be indemnified for a loss, cost, liability, expense or Tax under clause 14.1 or 14.2 may recover the amount to be indemnified direct from the Secured Property.

15. DISCHARGE

- (a) The Security Trustee must at the request and cost of a Grantor reconvey, surrender or release any remaining Secured Property (as appropriate) to a Grantor and the Secured Property will then be discharged from this document:
- (i) when the Security Trustee (acting on the instructions of the Lender) is satisfied that:
- (A) all the Secured Money has been irrevocably paid and discharged in full or satisfied in accordance with this document and (without limiting this) that clause 13.4 will not later apply; and
- (B) no amount remains contingently payable or may become payable on the security of this document (including under an indemnity); and

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- (ii) on payment or retention of all expenses incurred by or payable to the Security Trustee, its Authorised Representatives or any Receiver or Attorney.

(b) Any discharge is subject to clause 13.4.

16. **CONFIDENTIALITY**

The provisions of clause 17 (**Confidentiality**) of the Loan Agreement (Citizen) apply to this document as if set out in full in this document, mutatis mutandis.

17. **NOTICES**

Clause 20 (**Notices**) of the Loan Agreement (Citizen) apply to all notices, consents or other communications under this document.

18. **AMENDMENT AND ASSIGNMENT**

18.1 **Amendment**

This document can only be amended or replaced by another document executed by the parties.

18.2 **Assignment**

- (a) A Grantor may only assign, encumber, declare a trust over or otherwise deal with its rights under any Transaction Document with the written consent of the Security Trustee (acting on the instructions of the Lender).
- (b) The Security Trustee may assign, encumber, declare a trust over or otherwise deal with its rights under any Transaction Document without the consent of any Grantor, and may disclose to any potential holder of the right, or an interest in the right, any information relating to any Transaction Document or any party to any of them.

19. **GENERAL**

19.1 **Governing law**

- (a) This document is governed by the laws of the British Virgin Islands.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of the British Virgin Islands, and any court that may hear appeals from any of those courts, for any proceedings in connection with any Transaction Document.
- (c) Each Grantor irrevocably waives:
 - (i) any objection to the venue of any proceedings on the ground that they have been brought in an inconvenient forum; and
 - (ii) any immunity from set off, suits, proceedings and execution to which it or any of its property may now or in the future be entitled under any applicable law.

19.2 **Liability for own expenses**

Each Grantor is liable for its own costs and expenses in complying with this document, including where it does so at the Security Trustee's request or for the Security Trustee's benefit.

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19.3 Giving effect to this document

- (a) The Grantors must do anything (including executing any transfer in blank or any other transfer or other document, and perfecting and protecting any Security Interest intended to be created by or pursuant to this document), and must ensure that its employees and agents do anything, that the Security Trustee (acting on the instructions of Lender) may require to:
 - (i) give full effect to this document; or
 - (ii) more fully secure the rights, remedies and powers of the Security Trustee under this document or to enable the Security Trustee to exercise those rights, remedies and powers.
- (b) The Security Trustee (acting on the instructions of the Lender) may, at the relevant Grantor's cost, do anything which a Grantor should have done under this document if that Grantor does not do so promptly or if the Security Trustee receives instructions from the Lender) that a Grantor has not done so properly.

19.4 Authority to register and waiver of right to receive verification statements

Each Grantor acknowledges that the Security Trustee (acting on the instructions of the Lender) may, at the Grantors cost, register one or more notifications, filings or financing statements in relation to its Security Interests.

19.5 Variation of rights

The exercise of a right partially or on one occasion does not prevent any further exercise of that right in accordance with the terms of this document. Neither a forbearance to exercise a right nor a delay in the exercise of a right operates as an election between rights or a variation of the terms of this document.

19.6 Operation of this document

- (a) Subject to clause 19.6(b), the Transaction Documents contain the entire agreement between the parties about their subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by the Transaction Documents and has no further effect.
- (b) Any right that a Finance Party may have under the Transaction Documents is in addition to, and does not replace or limit, any other right that the Finance Party may have.
- (c) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

19.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) The Security Trustee may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.
- (c) If a provision of this document is expressed to:
 - (i) indemnify;

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(ii) exclude or limit any liability of; or

(iii) otherwise benefit,

a person who is not a party to this document, the Grantors agrees that the Security Trustee holds the benefit of that indemnity, exclusion, limitation or other benefit for that person and may enforce this document on their behalf and for their benefit.

19.8 **Consents**

Where a Transaction Document contemplates that the Security Trustee may agree or consent to something (however it is described), the Security Trustee may:

(a) agree or consent, or not agree or consent, in its absolute discretion; and

(b) agree or consent subject to conditions,

unless that document expressly contemplates otherwise.

19.9 **Statements by the Security Trustee**

A statement by an Authorised Representative of the Security Trustee on any matter relating to a Transaction Document (including any amount owing by a Grantor) is conclusive unless clearly wrong on its face.

19.10 **No merger**

Nothing in this document merges with any other Security Interest, or any Guarantee, judgment or other right or remedy, that the Security Trustee may hold at any time.

19.11 **Exclusion of contrary legislation**

Any legislation that affects an obligation of a Grantor in a manner that is adverse to the interests of the Security Trustee, or adversely affects the exercise by the Security Trustee of a right or remedy, under or relating to this document is excluded to the full extent permitted by law.

19.12 **Counterparts**

This document may be executed in counterparts. Delivery of a counterpart of this document by email attachment or fax constitutes an effective mode of delivery.

19.13 **Execution by fewer than all parties**

This document binds each Grantor even if:

(a) one or more of the persons named in this document as a Grantor does not execute this document or is not bound or ceases to be bound by this document; or

(b) the Security Trustee does not execute or only subsequently executes this document.

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EXECUTED and delivered as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

SECURITY TRUSTEE

SIGNED, SEALED AND DELIVERED FOR THE TRUST COMPANY (AUSTRALIA) LIMITED by its attorney under power of attorney in the presence of:



Signature of witness

Marian Pond

Name



Signature of attorney

John Newby
Head of Property and Infrastructure Custody Services

Name

12 July 2010

Date of power of attorney

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GRANTORS

SIGNED SEALED AND DELIVERED by

 JERRY REN)
)
)

for and on behalf of)
)

MAXWEALTH INTERNATIONAL INVEST LIMITED)

in the presence of:)
)



Name of Witness: *Marian Pond*

SIGNED SEALED AND DELIVERED by

 JERRY REN)
)
)

for and on behalf of)
)

CITIZEN INTERNATIONAL INVESTMENTS LIMITED)

in the presence of:)
)



Name of Witness: *Marian Pond*

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SCHEDULE 1

Grantors

No.	Grantor	BVI Company Number	Notice details
1	Maxwealth International Invest Limited	1441158	Address: P.O. Box 3321, Drake Chambers, Road Town, Torotla, British Virgin Island Fax number: +61 8 8941 3498 Attention: Jerry Ren
2	Citizen International Investments Limited	1414025	Address: P.O. Box 3321, Drake Chambers, Road Town, Torotla, British Virgin Island Fax number: +61 8 8941 3498 Attention: Jerry Ren

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