

## Information Memorandum



### **CBL Corporation Limited**

*(incorporated with limited liability in New Zealand with company number 3888838)*

## Issue of Australian Dollar Notes

Guaranteed by

### **LBC Holdings New Zealand Limited**

*(incorporated with limited liability in New Zealand with company number 4772359)*

### **LBC Holdings Europe Limited**

*(incorporated with limited liability in New Zealand with company number 4774919)*

### **LBC Holdings UK Limited**

*(incorporated with limited liability in New Zealand with company number 4774859)*

### **Intercede 2408 Limited**

*(incorporated with limited liability in England with company number 07550811)*

### **European Insurance Services Limited**

*(incorporated with limited liability in England with company number 05681736)*

Lead Manager and Initial Subscriber

### **FIIG Securities Limited**

*(ABN 68 085 661 632)*

The date of this Information Memorandum is 15 April 2014

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# Important Notice

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## Introduction

This Information Memorandum relates to an issue of Australian dollar notes ("**Notes**") by CBL Corporation Limited ("**Issuer**"), a company incorporated under the Companies Act 1993 of New Zealand with company number 3888838.

The Notes are unconditionally and irrevocably and jointly and severally guaranteed by each entity described as an "Initial Guarantor" in the section entitled "Summary" below (together, the "**Initial Guarantors**") pursuant to the guarantee ("**Guarantee**") set out in the note trust deed dated 15 April 2014 ("**Note Trust Deed**") between the Issuer, the Initial Guarantors and BNY Trust Company of Australia Limited (ABN 49 050 294 052) ("**Note Trustee**"). The Issuer may, from time to time, and in accordance with the terms of the Note Trust Deed appoint or procure the appointment of any subsidiary of the Issuer or of the Initial Guarantors as an additional guarantor (each such guarantor, a "**New Guarantor**" and together with the Initial Guarantors, the "**Guarantors**") or, in accordance with the terms of the Note Trust Deed, obtain a release of the guarantee provided by a Guarantor (and such released entity shall no longer be a Guarantor).

The Notes will have the benefit of the Security (as described in the section entitled "Security Arrangements" below).

References to "**Information Memorandum**" are to this Information Memorandum and any other document incorporated by reference in the section entitled "The Issuer, the Initial Guarantors and documents incorporated by reference" below and to any of them individually.

## Issuer's responsibility

This Information Memorandum has been prepared and issued by the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum other than information provided by the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee and the Agents (each as defined in the section entitled "Summary" below) in relation to their respective details in the section entitled "Directory" below.

## Place of issuance

Subject to all applicable laws, regulations and directives, the Issuer will only offer and issue Notes in Australia.

## Terms and conditions of issue

The Notes will be issued in a single series under the Note Trust Deed. The series may comprise one or more tranches (each a "**Tranche**") having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the issue price and the first payment of interest).

A pricing supplement ("**Pricing Supplement**") will be issued for each Tranche of Notes. A Pricing Supplement will contain details of the initial aggregate principal amount, issue price, issue date, maturity date, details of interest payable (if any) together with any other terms and conditions not set out in the section entitled "Conditions" below that may be applicable to that series of Notes. The terms and conditions ("**Conditions**") applicable to the series of Notes are included in this Information Memorandum and may be supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes.

A Pricing Supplement or another supplement to this Information Memorandum may also supplement, amend, modify or replace any statement or information incorporated by reference in this Information Memorandum or a supplement to this Information Memorandum.

## No independent verification

The only role of the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee and the Agents in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective details in the section entitled "Directory" below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee and the Agents has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by any of them, as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer in connection with the Notes.

The Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee and the Agents expressly do not undertake to any holder of a Note to review the financial condition or affairs of the Issuer, a Guarantor or any of their affiliates at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer or a Guarantor and make no representations as to the ability of the Issuer or a Guarantor to comply with their respective obligations under the Notes.

#### **Intending purchasers to make independent investment decision and obtain tax advice**

This Information Memorandum contains only summary information concerning the Issuer, the Guarantors and the Notes. It should be read in conjunction with the documents which are deemed to be incorporated by reference in it, the Conditions, the Note Trust Deed and the Security Trust Deed. The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, any Guarantor or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee or the Agents that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer, a Guarantor and the Notes;
- determine for themselves the relevance of the information contained in this Information Memorandum, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own tax advisers concerning the application of any tax (including stamp duty) laws applicable to their particular situation.

No advice is given in respect of the legal or taxation treatment of investors or purchasers in connection with an investment in any Notes or rights in respect of them and each investor should consult their own professional adviser.

This Information Memorandum does not describe the risks of an investment in any Notes. Prospective investors should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

#### **No offer**

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee or the Agents to any person to subscribe for, purchase or otherwise deal in any Notes.

#### **Selling restrictions and no disclosure**

**EACH INVESTOR SUBSCRIBING FOR, PURCHASING OR OTHERWISE DEALING IN ANY NOTES IS DEEMED TO HAVE REPRESENTED AND WARRANTED THAT IT IS A PERSON TO WHOM IT IS LAWFUL TO MAKE ANY OFFER OF NOTES AND IT IS A PERSON TO WHOM AN OFFER OF NOTES FOR ISSUE OR SALE MAY BE MADE WITHOUT DISCLOSURE UNDER PART 6D.2 OR CHAPTER 7 OF THE CORPORATIONS ACT 2001 (CTH) ("CORPORATIONS ACT").**

The distribution and use of this Information Memorandum, including any Pricing Supplement, advertisement or other offering material, and the offer or sale of Notes may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about,



them and observe any, such restrictions. In particular, no action has been taken by any of the Issuer, the Lead Manager and Initial Subscriber or the Note Trustee or the Security Trustee or the Agents which would permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required.

Neither this Information Memorandum nor any other disclosure document in relation to the Notes has been lodged with the Australian Securities and Investments Commission (“ASIC”). A person may not make or invite an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia) or distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes in Australia unless the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in another currency, in each case disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act and such action complies with all applicable laws and regulations.

A person may not make or invite an offer of the Notes for issue or sale outside Australia (including an offer or invitation which is received by a person outside Australia) or distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes outside Australia. In particular, the Notes have not been, and will not be, registered under the Securities Act 1933 (as amended) of the United States of America (“U.S. Securities Act”). The Notes may not be offered, sold, delivered or transferred, at any time, within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act).

This Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes except if the offer or invitation complies with all applicable laws, regulations and directives.

#### **No authorisation**

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, a Guarantor or the issue or sale of the Notes and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee or the Agents.

#### **Agency and distribution arrangements**

The Issuer has agreed or may agree to pay fees to the Note Trustee, the Security Trustee and the Agents for undertaking their respective roles and reimburse them for certain of their expenses properly incurred in connection with the Notes.

The Issuer may also pay a fee to the Lead Manager and Initial Subscriber in respect of the Notes subscribed by it, and may agree to reimburse the Lead Manager and Initial Subscriber for certain expenses properly incurred in connection with the Notes and may indemnify the Lead Manager and Initial Subscriber against certain liabilities in connection with the offer and sale of Notes.

The Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee and the Agents, and their respective related entities, directors, officers and employees may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes.

#### **Currency**

In this Information Memorandum, references to “\$”, “A\$” or “Australian dollars” are to the lawful currency of the Commonwealth of Australia and references to “NZ\$” or “New Zealand dollars” are to New Zealand dollars.

#### **Currency of information**

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection

with this Information Memorandum at any time implies that the information contained in it is correct, that any other information supplied in connection with the Notes is correct or that there has not been any change (adverse or otherwise) in the financial conditions or affairs of the Issuer or any Guarantor at any time subsequent to the Preparation Date. In particular, neither the Issuer nor any Guarantor is under any obligation to any person to update this Information Memorandum at any time after an issue of Notes.

In this Information Memorandum, "**Preparation Date**" means:

- in relation to this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended, or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to any annual reports and financial statements incorporated in this Information Memorandum, the date up to, or as at, the date on which such annual reports and financial statements relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

# The Issuer, the Initial Guarantors and documents incorporated by reference

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*The information in this section is a brief summary only of the Issuer and the Initial Guarantors and their respective businesses and does not purport to be, nor is it, complete.*

*Investors should review, amongst other things, this Information Memorandum and the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Notes.*

*This Information Memorandum contains only summary information concerning the Issuer, the Initial Guarantors and the Notes. It should be read in conjunction with the documents which are deemed to be incorporated by reference in it, the Conditions, the Note Trust Deed and the Security Trust Deed. The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, the Initial Guarantors or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Issuer, the Initial Guarantors, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee or the Agents that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.*

*This Information Memorandum does not describe the risks of an investment in any Notes. Prospective investors should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.*

## **General Overview**

### **Background and General Business Description**

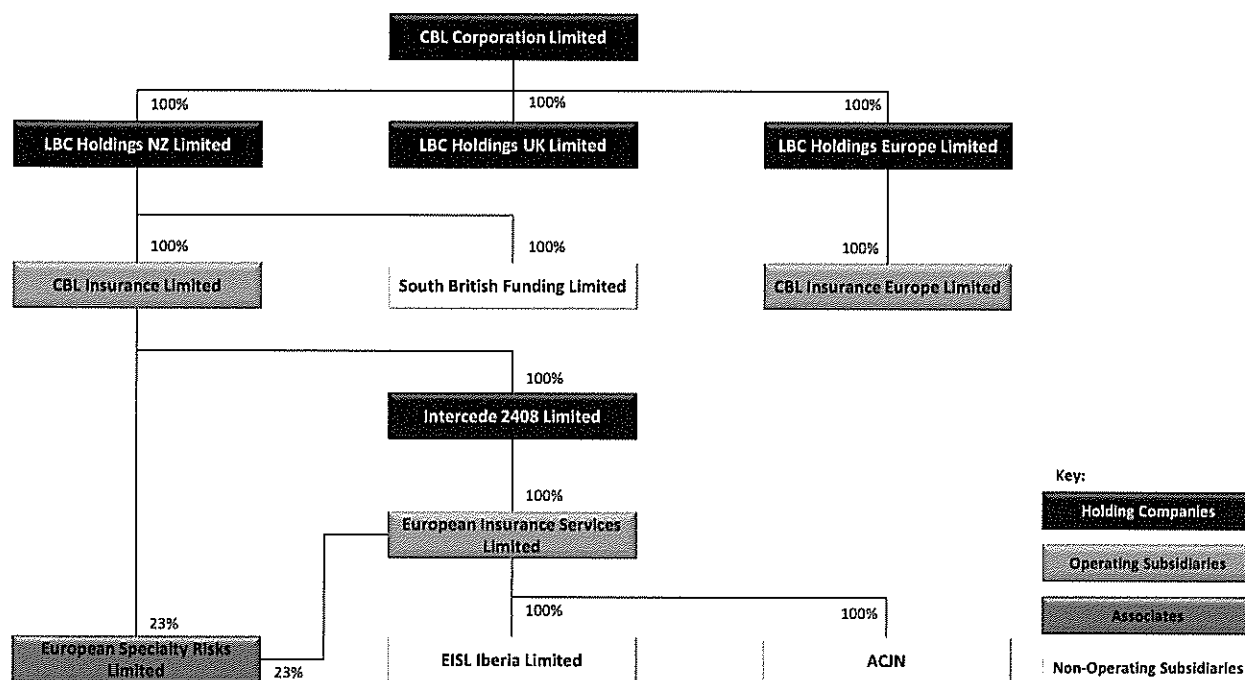
The Issuer is a New Zealand holding company with wholly-owned operating subsidiaries CBL Insurance Limited ("**CBL**"), European Insurance Services Limited ("**EISL**") and CBL Insurance Europe Limited ("**CBLIE**"), together known as "**CBL Group**" or "**the Group**".

CBL is a credit and financial risk insurer, with its headquarters in New Zealand and has been operating for more than 40 years. Prior to December 2013, CBL was the parent entity of the Group. In December 2013, the Group underwent a corporate restructure and all existing shareholders swapped their shares in CBL for an equivalent number of shares in the Issuer. The restructure establishes a group that will allow it to grow into the future. All financial statements prior to December 2013 represent only CBL and its subsidiaries. For the purposes of this Information Memorandum, all references to "**the Group**" refer to both the pre-and post- December 2013 corporate structures.

Operating since 1973, the Group has experienced strong growth since the current owners took control of CBL in 1996. More recently, in 2011, CBL acquired EISL, a UK domiciled managing general agent. In that year the Group's annual revenue exceeded NZ\$100m.

In November 2013 CBL completed the acquisition of CBLIE, providing the opportunity for the Group to utilise CBLIE's European insurance licences. These licences ensure the ability of the Group to write insurance directly in Europe and avoid the need for the Group to write business through its European insurance partners, thereby reducing costs and mitigating regulatory risk.

## Corporate Structure Chart



**CBL Corporation Limited:** a New Zealand incorporated holding company of CBL Group with 100% holdings in LBC Holdings New Zealand Limited, LBC Holdings UK Limited and LBC Holdings Europe Limited.

**LBC Holdings New Zealand Limited:** a New Zealand incorporated non-operating holding company that holds 100% of the shares in both CBL Insurance Limited and South British Funding Limited.

**South British Funding Limited:** a New Zealand incorporated company that no longer has any operating functions and was previously used as a funding vehicle for CBL.

**CBL Insurance Limited:** a New Zealand incorporated and licenced Non-Life Insurer supervised and regulated by the Reserve Bank of New Zealand. The company has a 23% holding in European Specialty Risks Limited (a London based Lloyds Insurance Broker), and holds 100% of the shares in Intercede 2408 Limited.

**Intercede 2408 Limited:** a UK incorporated non-operating holding company that holds 100% of the shares of European Insurance Services Limited.

**European Insurance Services Limited:** a UK registered and domiciled insurance underwriting agent licenced and regulated by the Financial Conduct Authority in the United Kingdom, with an additional 23% holding in European Specialty Risks Limited and 100% ownership of both EISL Iberia Limited and ACJN.

**EISL Iberia Limited:** a UK incorporated company that has previously operated in Spain but no longer carries out any business.

**European Specialty Risks Limited:** a UK incorporated wholesale and retail insurance broker with an office in London, England. It is also a Registered Lloyd's Broker, enabling it to place open market and delegated underwriting authority business.

**ACJN:** a French incorporated company with an office in France, which employs the Paris-based staff of EISL.

**LBC Holdings UK Limited:** a New Zealand incorporated non-operating holding company.

**LBC Holdings Europe Limited:** a New Zealand incorporated non-operating holding company that holds 100% of the shares in CBL Insurance Europe Limited.

**CBL Insurance Europe Limited:** an Ireland registered and domiciled insurer, licenced to write business in Europe by the Central Bank of Ireland, and passported into most western European

countries under the Freedom of Services regulations, allowing CBLIE to write business in any country in the European Union.

### **CBL Insurance Limited**

CBL is New Zealand's largest and oldest established credit surety and financial risk insurer. CBL has an international distribution network built up over the last 15 years, establishing 8 offices in 4 continents and it writes business in 25 countries with underwriting, accounting, treasury, claims and management all run from its Head Office in Auckland, New Zealand.

CBL carries out most of its business as a reinsurer whereby the risk is written by a local insurer partner, which retains a share of the premium and risk, with the rest ceded to CBL as a reinsurer. Apart from Latin America, a reinsurer is not required to be licensed in the country of risk. CBL tailors products to individual clients in New Zealand and around the world, taking into account the regulatory environments in which they operate in and writing risk as insurance and reinsurance where applicable.

A.M. Best Rating Agency is an internationally recognised independent ratings agency considered to be industry experts in insurance. CBL is rated by A.M. Best and meets with the rating analysts at least twice a year. CBL currently has an investment grade financial strength rating of B+ (Good) and a bbb- issuer credit rating, with both outlooks 'Positive'.

### **Key Products**

#### **(a) Dommages Ouvrages ("D/O") and Decennial Liability ("DL")**

D/O is a compulsory insurance policy that the owner of a newly built property or a renovation project is required to obtain in France. The warranty lasts for ten years and remains with the property, and insures the current owner and any future owners against major structural damage resulting from poorly planned or executed building work. Once the D/O insurer has paid it is able to subrogate and recover its loss from the liable party's DL liability insurer.

DL is a compulsory French civil and third party liability cover for building contractors (companies with up to 10 employees working on the construction site). This cover is effective from the date of the hand-over for a period of ten years.

#### **(b) Contractor Bonds**

Contractor bonds are provided to contracting parties to secure a contractor's liability to a principal for the performance of a particular contract. CBL is able to provide a wide range of contractors' bonds, including bid bonds, contract performance bonds, maintenance bonds and bonds in lieu of retentions. These types of bonds have been offered by CBL since 1973.

Indemnity security is normally required by CBL, along with the personal covenants of the contractor principals. Pre-approved umbrella bonding facilities can be put in place on a revolving facility basis.

#### **(c) Deposit Power**

Home Deposit Bonds allow a property purchaser to take out a bond acceptable to a vendor, allowing the purchaser an alternative to paying cash as a deposit. This type of bond is particularly useful where the property is still under construction. If the purchaser defaults on their completion settlement obligations, the vendor can call on CBL for the bond.

CBL has distribution agreements in place with key banks and mortgage distributors in Australia such as National Australia Bank, Commonwealth Bank of Australia and Mortgage Choice.

#### **(d) Builders Warranty**

CBL offers builders' warranty insurance in New Zealand and Mexico, with a guarantee given to new home purchasers, indemnifying them from losses sustained as a result of non-completion of the home or failure of the builder to remedy post-completion defects in the home.

CBL also offers Builder's Liability insurance, whereby builders are insured against third party liability.

**(e) IATA Bonds**

The International Air Transport Association (IATA) requires and regulates the issuance of travel insurance bonds to protect airlines and travellers against travel agency insolvency. The airline protection is offered by way of bonds and credit insurance policies depending on individual country requirements.

All premiums are payable in advance and each applicant for a bond is individually assessed on financial information and a range of other relevant information prior to issuing the bond. CBL provides the underwriting services required by itself and its insurance and reinsurance partners and manages each program.

**(f) Lender Protection**

Lender protection in Singapore relates to a program to secure personal loans provided by unions / collectives in the civil service sector. The personal loans must be guaranteed by an independent party or covered by lender protection insurance. The loans are very small and all repayments are deducted from the employee's pay prior to receipt.

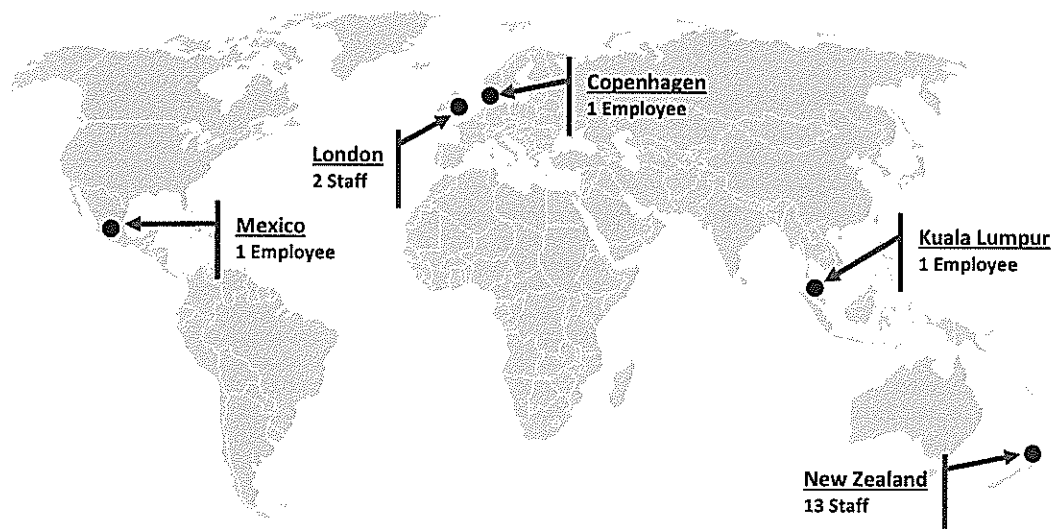
The broker that manages the program provides it directly to CBL as an offshore insurer approved by the Monetary Authority of Singapore ("MAS"). The broker submits new program applications to MAS on behalf of CBL to seek approval.

**(g) Income Protection**

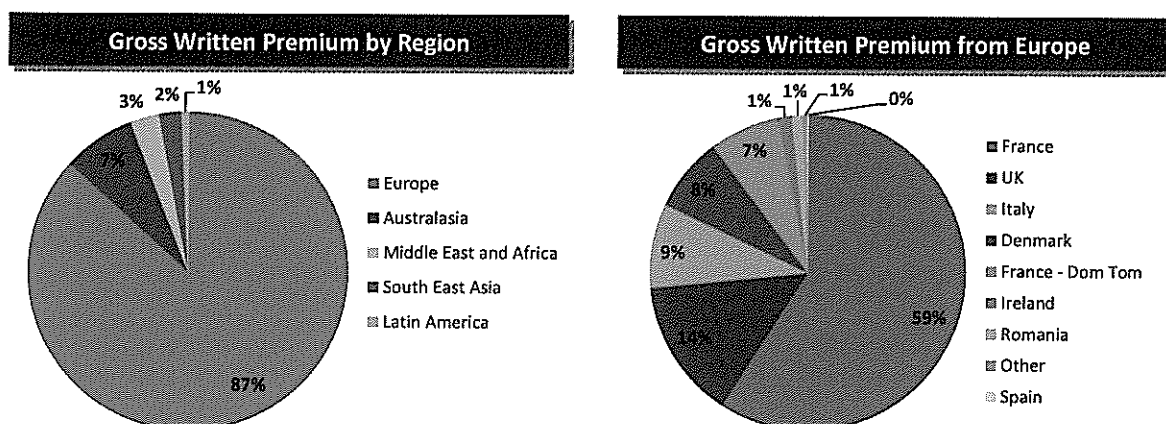
CBL underwrites a book of "Creditor" Income Protection in Denmark and Sweden, sold through a network of financial institutions and local banks. CBL uses EU domiciled insurers to write the business and takes the business out as reinsurance.

**Locations and Employees**

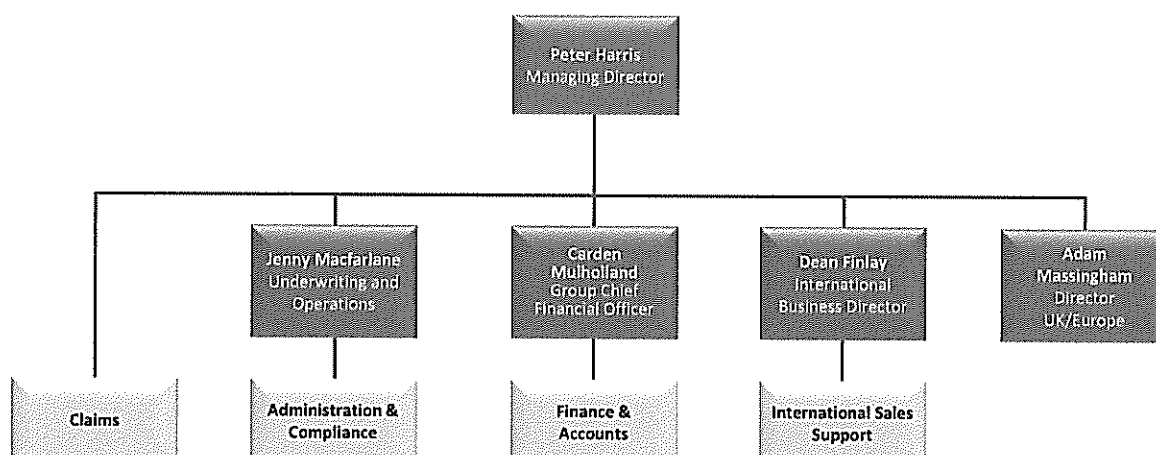
CBL employees 18 staff across 5 countries.



## Earnings by Region and Country



## Organisational Chart



## Senior Management Biographies

### Managing Director

#### Peter Harris

- Joined CBL in 1996 and was appointed Managing Director of CBL in 2007.
- Past Investment Banker, and shareholder in General Capital and Commerce Limited, Boston Marks and senior executive of Fletcher Steel.
- Awarded the Air New Zealand Young Businessman of the Year in 1984.
- Moved CBL to 25th place in Deloitte's FAST 50, an independent benchmark ranking of New Zealand's fastest growing companies in 2006.
- Seconded to the Victorian Builders Warranty Advisory Council in 2007.
- Member of the NZ Institute of Management, the Marketing Institute of NZ and the NZ Latin America Business Council.
- Foundation member of the Spirit of New Zealand Foundation.
- Obtained his M Mktg through the Auckland University Business School, and is an Alumni Member of the Australian Graduate School of Management.
- Peter is an "Authorised Person" with the UK Financial Conduct Authority, and the Central Bank of Ireland.

- Peter reports to the Board of Directors of CBL

#### **Group Chief Financial Officer**

*Carden Mulholland*

- Joined CBL in 2007.
- Responsible for all of CBL's financial operations.
- Carden brings over 15 years of experience predominantly in the Banking and Finance sector having recently worked for Macquarie Bank, and previous to that the Bank of New York in London.
- Carden has also worked for Barclays Life Assurance in London.
- Carden is an "Authorised Person" with the Financial Conduct Authority in the UK.
- Obtained his Bachelor of Commerce degree from Auckland University in 1992 and a Diploma in Business Communication in 1995, also from Auckland University.
- Obtained his Chartered Accountant membership in 1996 and has been a CA since then.
- Carden reports directly to Peter Harris.

#### **Director of International Business**

*Dean Finlay*

- Appointed International Business Director in May 2009.
- Dean is responsible for CBL's international sales and servicing operations.
- Past experience with Farmers Mutual insurance Group and Tower Insurance.
- Managing Director of ISOS Australasia (NZ\$100m revenue base in the insurance and medical service & 24 hour support sector).
- Professional Cricketer in Yorkshire, UK and played first class cricket in New Zealand.
- MBA from Henley Business School (UK).
- Dean reports directly to Peter Harris.

#### **General Manager – Underwriting and Operations**

*Jenny Macfarlane*

- Jenny joined CBL in 2000.
- In addition to underwriting, Jenny manages compliance, HR and IT.
- She is familiar with all operations of the business, implementing systems as and when they are required and has full ownership of CBL's compliance responsibilities.
- Jenny has completed the Australian Graduate School of Management Women Leaders program.
- Jenny reports directly to Peter Harris.



## Financial Summary – Income Statement for the year ended 31 December

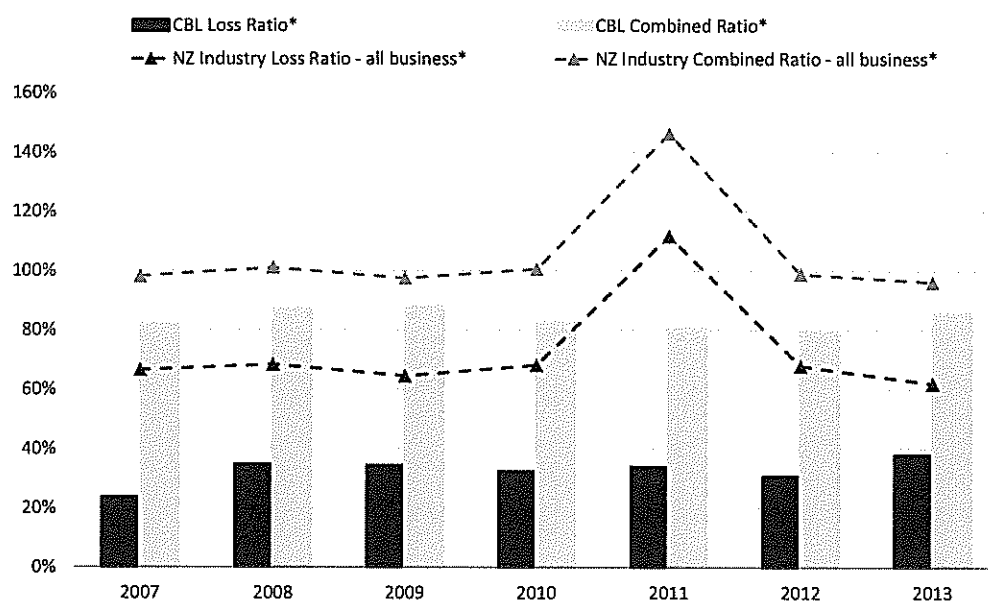
NZ\$ thousands	2009	2010	2011	2012	2013
Gross Written Premium	28,286	41,419	76,029	107,683	165,284
Growth		46.4%	83.6%	41.6%	53.5%
Net Earned Premium*	21,166	29,949	47,470	72,211	120,875
Operating Profit Before Tax**	3,072	5,309	11,767	18,590	21,730
Growth		72.8%	121.6%	58.0%	16.9%
Net Profit After Tax***	795	503	5,382	11,445	15,547
Growth		-36.7%	970.0%	112.7%	35.8%

\* Gross Written Premium less movements in gross unearned premium and ceded premiums

\*\*Earnings less all operating expenses

\*\*\*Earnings less all operating, non-operating and tax expenses

## CBL Insurance Limited Insurance Ratios



Source: Insurance Council of New Zealand - the annual insurance review 2012 - 13; CBL Insurance Ltd Annual Reports and management accounts  
 \*Note: NZ Industry data for the year ended 30 September; CBL data for the year ended 31 December

## European Insurance Services Limited

EISL is a UK incorporated underwriting agency, established in 2006, operating from its Head Office in Tunbridge Wells, United Kingdom, with an office also in France, employing a team of 60 across both locations. EISL has built up a network of up to 1,000 independent brokers in France writing and distributing construction-sector insurance products, with the majority being D/O insurance products.

EISL is a Financial Conduct Authority regulated entity licenced to undertake intermediary insurance services. This licence also allows it to operate within the European Union offering the same services. EISL is also a Lloyd's cover-holder which allows it to bind Lloyd's insurers.

Products provided by EISL include Dommages Ouvrage, Property Developers Liability, Decennial Liability, Contractors All-Risks and French Property Insurance.

## Senior Management Biographies

### Managing Director

*Todd Campbell*

- In 2011 was appointed CEO of EISL and then Managing Director in 2013; prior to this he was Director – Latin America & Special Projects for CBL.
- Todd has ten years' experience as a practicing lawyer in M&A and Insurance regulatory law.
- Past President of Gramercy Insurance Company (USA) for ten years.
- Appointed Director of Sagicor Insurance Company in 2008, an A-rated Life & General Insurer based in the Caribbean and listed on the London Stock Exchange.

### Financial Summary – Income Statement for the year ended 31 December (post acquisition in 2011)

NZ\$ thousands	2011	2012	2013
Gross Written Premium	26,813	42,276	47,222
<i>Growth</i>		57.7%	11.70%
Commission and Other Income	8,086	13,493	14,191
Operating Profit Before Tax*	3,463	4,444	2,841
<i>Growth</i>		28.3%	-36.1%
Net Profit After Tax**	2,356	3,132	2,234
<i>Growth</i>		33.0%	-28.7%

\*Earnings less all operating expenses

\*\*Earnings less all operating, non-operating and tax expenses

### CBL Insurance Europe Limited

CBL acquired Achmea Insurance Ireland Limited in November 2013, from Rabobank (the ultimate parent). The company was subsequently renamed CBL Insurance Europe Limited ("CBLIE"). CBLIE is a licensed European insurer with an office in Dublin and is regulated by the Central Bank of Ireland. Most of the business in CBLIE has been novated back to the Dutch parent, with the remainder in solvent run off. CBLIE intends to write new niche European business in the future, and is available to enable CBL to write any of its existing business through therefore reducing fronting and insurer ceding costs.

### CBL Corporation Limited

### Board Biographies

#### Chairman

*Sir John Wells*

- Merchant and investment banker specialising in financial services and sport sectors.
- Chaired the National Co-ordinating Committee reviewing the delivery of high performance sport on a New Zealand wide basis.
- Chaired Sports and Recreation New Zealand (now Sport New Zealand) from 2001 – 2009 (Government agency for sport funding).
- Member of the RWC 2011 Establishment Board and in July 2006 was a Government appointee to the Board of Rugby NZ 2011 Limited.
- He recently chaired the Triathlon World Champs 2012, is the current Chair of the Auckland World Masters Games 2017 and is Chairman of Bancorp Group.

- Awarded a Distinguished Companion of The New Zealand Order of Merit (DCNZM) for his services to business and sport in The New Year Honours 2009, and subsequently invested with a Knighthood.

#### **Managing Director**

*Peter Harris*

- Refer to CBL Insurance Limited's biography above.

#### **Director**

*Alistair Hutchison*

- Participated in the buy-out of CBL in 1996.
- Economist, specialist expertise in financial services and public administration, and micro lending.
- Past member of the Board of Governors, World Bank, International Monetary Fund and Asian Development Bank.
- Previous Financial Secretary of Samoa.
- Current Government board appointee to Polynesian Airlines.
- Principal of Western Union Money Transfers & FX Services with equity participatory positions in various financial services companies in NZ and SW Pacific.
- Chairman Federal Pacific Insurance and Federal Pacific Finance in Samoa.
- Post Graduate degrees in Accounting & Economics, Victoria University, New Zealand.

#### **Non-executive Independent Director**

*Anthony Hannon*

- Non-executive independent director of CBL and currently a Divisional Director of Bancorp Corporate Finance.
- Anthony has had many years investment banking experience covering mergers, acquisitions, dispositions, capital raising, private equity, venture capital and mezzanine finance. His transaction history is extensive with approximately NZ\$5 billion worth of completions across 20 years' experience including cross border and across sector transactions.
- His other directorships include Chairman of Snow Sports New Zealand and TBD Holdings Group, a director of Radius Residential Care, Aotearoa Fisheries Limited and Sealord Group Limited.
- Over the last 20 years Anthony has held many prominent directorships including Canterbury of New Zealand, Jade Software, Nextwindow, Jucy Rentals and AJ Hackett Bungy Group.
- Anthony also established New Zealand's first pure Mezzanine Investment Fund.
- He has a BCom (Accounting and Economics) from Otago University.

#### **Non-executive Independent Director**

*Ian Marsh*

- Ian has extensive business executive experience, with companies such as The Gilman Group, and Western Union.
- Ian has also held many directorship roles, and chaired a number of boards. He is currently the Chairman of the Compensation Committee at PreCash, and is a Non-Executive Director, and Chairman of the Compliance Committee at Fexco Holdings.

**CBL Corporation Limited Financial Statements**

<b>Income Statement</b>	<b>FY13</b>	<b>FY12</b>
<b>NZ\$ thousands</b>	<b>Group</b>	<b>Group</b>
Gross written premium	212,507	151,225
Movement in gross unearned premium	(27,308)	(18,673)
Gross premiums	185,199	132,552
Premiums ceded	(53,362)	(49,227)
<b>Net premiums</b>	<b>131,837</b>	<b>83,325</b>
Other revenue	9,062	5,669
<b>Total revenue</b>	<b>140,899</b>	<b>88,994</b>
Claims expense	(53,994)	(37,738)
Reinsurance and other recoveries	8,219	15,684
<b>Net claims expense</b>	<b>(45,775)</b>	<b>(22,054)</b>
Acquisition costs	(43,085)	(25,629)
Other operating expenses	(26,207)	(19,534)
<b>Total claims and operating expenses</b>	<b>(115,067)</b>	<b>(67,217)</b>
<b>Operating profit before income tax</b>	<b>25,832</b>	<b>21,777</b>
Finance costs	(1,195)	(1,076)
Other expenses & FX gains / losses	(64)	(2,442)
Share of profit from associate	323	190
Subvention payment	-	(466)
<b>Profit before tax</b>	<b>24,896</b>	<b>17,983</b>
Income tax expense	(6,933)	(5,103)
<b>Profit for the period</b>	<b>17,963</b>	<b>12,878</b>
<b>Other comprehensive income:</b>		
Currency translation differences	121	(13)
<b>Other comprehensive income net of tax</b>	<b>121</b>	<b>(13)</b>
<b>Total comprehensive income for the period</b>	<b>18,084</b>	<b>12,865</b>

<b>Balance Sheet</b>	<b>FY13</b>	<b>FY12</b>
<b>NZ\$ thousands</b>	<b>Group</b>	<b>Group</b>
<b>ASSETS</b>		
Cash and cash equivalents	97,837	65,034
Other financial assets	12	12
Insurance receivables	66,905	24,315
Trade and other receivables	10,095	15,115
Loans	1,852	2,334
Current tax receivable	1,182	-
Recoveries on outstanding claims (including IBNRs)	26,708	24,050
Deferred reinsurance expense	2,002	7,121
Deferred acquisition costs	34,314	13,441
Deferred tax assets	-	3,861
Property, plant and equipment	1,110	1,271
Investments in subsidiaries	-	-
Investment in associate	738	447
Intangible assets	3,747	3,990
Goodwill	31,745	30,371
<b>TOTAL ASSETS</b>	<b>278,247</b>	<b>191,362</b>
<b>LIABILITIES</b>		
Trade and other payables	12,468	7,460
Insurance payables	13,216	9,619
Current tax liabilities	957	4,439
Unearned premium liability	73,923	46,615
Employee benefits provision	383	317
Contingent consideration	2,726	5,094
Deferred tax liabilities	2,878	3,767
Outstanding claims liability (including IBNRs)	93,087	47,435
Borrowings	27,088	21,512
<b>TOTAL LIABILITIES</b>	<b>226,726</b>	<b>146,258</b>
<b>NET ASSETS</b>	<b>51,521</b>	<b>45,104</b>
<b>EQUITY</b>		
Share capital	18,000	26,700
Reserves	87	(34)
Retained earnings	33,434	18,438
<b>TOTAL EQUITY</b>	<b>51,521</b>	<b>45,104</b>

#### **Notes to the Accounts**

The following notes have been taken from the annual financial statements for CBL Corporation Limited for the year ended 31 December 2013. The Notes are numbered in accordance with those financial statements.

#### **4. Claims**

##### **(a) Net claims expense in the Statement of Comprehensive Income**

Current year claims relate to claim events that occurred in the current financial year. Prior year claims relate to a reassessment of the claim events that occurred in all previous periods.

	<b>Consolidated</b>					
	<b>Current year NZ\$'000</b>	<b>Prior years NZ\$'000</b>	<b>2013 Total NZ\$'000</b>	<b>Current year NZ\$'000</b>	<b>Prior years NZ\$'000</b>	<b>2012 Total NZ\$'000</b>
Gross claims	45,174	8,820	53,994	31,724	6,014	37,738
Reinsurance and other recoveries	(7,064)	(1,155)	(8,219)	(12,860)	(2,824)	(15,684)
<b>Net claims expense</b>	<b>38,110</b>	<b>7,665</b>	<b>45,775</b>	<b>18,864</b>	<b>3,190</b>	<b>22,054</b>

##### **(b) Outstanding claims liability recognised in the Statement of Financial Position**

###### **(i) Composition of gross outstanding claims liability**

	<b>Consolidated</b>	
	<b>2013 NZ\$'000</b>	<b>2012 NZ\$'000</b>
Gross central estimate - undiscounted	85,501	45,869
Claims handling costs	2,061	559
Risk margin	13,042	7,380
	<b>100,604</b>	<b>53,808</b>
Discount to present value	(7,517)	(6,373)
<b>Gross outstanding claims liability - discounted</b>	<b>93,087</b>	<b>47,435</b>

The outstanding claims liability includes NZ\$47.9 million (2012: NZ\$32.7 million) which is expected to be settled more than 12 months from the reporting date arising from claims (including future claims) expected to be reported over the future life of the insurance contracts (IBNR).

###### **(ii) Reconciliation of movements in discounted outstanding claims liability**

	<b>Consolidated</b>					
	<b>2013 Gross NZ\$'000</b>	<b>Recoveries NZ\$'000</b>	<b>Net NZ\$'000</b>	<b>2012 Gross NZ\$'000</b>	<b>Recoveries NZ\$'000</b>	<b>Net NZ\$'000</b>
Balance at the beginning of the financial year	47,435	(24,050)	23,385	24,358	(12,906)	11,452
Change in prior year claims reserve	8,820	(1,155)	7,665	6,014	(2,824)	3,190
Current year claims incurred	46,853	(7,112)	39,741	31,724	(12,860)	18,864

Claims paid during the year	(17,860)	10,544	(7,316)	(14,428)	4,462	(9,966)
Foreign exchange adjustment	(6)	-	(6)	(233)	78	(155)
Reserves on acquisition *	7,845	(4,935)	2,910	-	-	-
<b>Balance at the end of the financial year</b>	<b>93,087</b>	<b>(26,708)</b>	<b>66,379</b>	<b>47,435</b>	<b>(24,050)</b>	<b>23,385</b>

**(iii) Central estimate and risk margin**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>%</b>	<b>%</b>
Risk margin percentage applied to the net outstanding claims liability	<b>18.20%</b>	16.70%
The probability of adequacy of the risk margin	<b>75.00%</b>	75.00%

**(iv) Process**

The outstanding claims liability is determined based on three building blocks, being:

- A central estimate of the future cash flows
- Discounting for the effect of the time value of money
- A risk margin for uncertainty.

*(i) Future cash flows*

The estimation of the outstanding claims liability is based on a variety of actuarial techniques that analyse experience, trends and other relevant factors. The expected future payments include those in relation to claims reported but not yet paid or not yet paid in full, IBNR and the anticipated direct and indirect claims handling costs.

The estimation process involves using the Consolidated entity's specific data, relevant industry data and more general economic data.

*(ii) Discounting*

Projected future claims payments, both gross and net of reinsurance and other recoveries, and associated claims handling costs are discounted to a present value using appropriate risk free discount rates.

*(iii) Risk margin*

The central estimate of the outstanding claims liability is intended to contain no deliberate or conscious over or under estimation and is commonly described as providing the mean of the distribution of future cash flows. It is considered appropriate to add a risk margin to the central estimate in order for the claims liability to have an increased probability of sufficiency.

The risk margin refers to the amount by which the liability recognised in the financial statements is greater than the central estimate of the liability.

As at 31 December 2013, the CBLIE outstanding claims liability was evaluated by Noel Garvey (Fellow of the Society of Actuaries in Ireland). The actuary was satisfied as to the nature, sufficiency and accuracy of the data used to determine the outstanding claims liability.

Uncertainties surrounding the outstanding claims liability estimation process include those relating to the data, actuarial models and assumptions, the statistical uncertainty associated with a general insurance claims runoff process, and risks external to CBL and CBLIE, for example the impact of future legislative reform. Uncertainty from these sources is examined for each class of business and expressed as a volatility measure relative to the net central estimate.

The determination of the CBL overall risk margin takes into account the volatility of each class of business. The current risk margin, which has been determined after assessing the inherent

uncertainty in the central estimate and the prevailing market environment, results in an overall probability of adequacy for the outstanding claims liability of 75%.

**(c) Actuarial Assumptions**

The following ranges of key actuarial assumptions were used in the measurement of outstanding claims and recoveries at the reporting date.

<b>Assumption</b>	<b>2013</b>	<b>2012</b>
Average term to settlement*	<b>Within 6 months</b>	Within 6 months
Inflation rate	<b>2.5%-3.5%</b>	2.5%-3.5%
Discount rate	<b>3.50%</b>	3.50%
Claims handling expense ratio	<b>2.40%</b>	2.60%

\* The average term to settlement relates to payment period of claims that have been notified. IBNR has a period of up to ten years for claims to be notified, this has been incorporated into the calculation of the outstanding claims liability.

Process used to determine assumptions:

*(i) Discounted average term to settlement*

The discounted average term to settlement relates to the expected payment pattern for claims (inflated and discounted). It is calculated by class of business and is generally based on historic settlement patterns. The discounted average term to settlement, while not itself an assumption, provides a summary indication of the future cash flow pattern.

*(ii) Economic and superimposed inflation*

Insurance costs are subject to inflationary pressures. Economic inflation assumptions are set by reference to current economic indicators. Superimposed inflation reflects the past tendency for some costs, such as court awards, to increase at levels in excess of economic inflation.

*(iii) Discount rate*

The discount rate is derived from market yields on government securities.

*(iv) Claims handling costs ratio*

The future claims handling costs ratio is calculated with reference to the historical experience of claims handling costs as a percentage of past payments.

The effect of changes in assumptions:

*(i) Discounted average term to settlement*

A decrease in the discounted average term to settlement would reflect claims being paid sooner than anticipated and so increase the claims expense. Note that this sensitivity test only extends or shortens the term of the payments assumed in the valuation, without changing the total nominal amount of the payments.

*(ii) Inflation and superimposed inflation rates*

Expected future payments are inflated to take account of inflationary increases. An increase or decrease in the assumed levels of either economic or superimposed inflation will have a corresponding decrease or increase on profit.

*(iii) Discount rate*

The outstanding claims liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. An increase or decrease in the assumed discount rate will have a corresponding increase or decrease on profit.

*(iv) Claims handling costs ratio*

An increase in the ratio reflects an increase in the estimate for the internal costs of administering claims. An increase or decrease in the ratio assumption will have a corresponding decrease or increase on profit.



## 11. Recoveries on outstanding claims

### (a) Reinsurance and other recoveries receivable on outstanding claims

	Consolidated	
	2013 NZ\$'000	2012 NZ\$'000
Recoveries - undiscounted	29,085	28,077
Discount to present value	(2,377)	(4,027)
<b>Recoveries - discounted</b>	<b>26,708</b>	<b>24,050</b>

The carrying value of reinsurance recoveries and other recoveries includes NZ\$16.4 million (2012: NZ\$19.4 million) which is expected to be settled more than 12 months from the reporting date.

### (b) Actuarial assumptions

The measurement of reinsurance and other recoveries on outstanding claims is an inherently uncertain process involving estimates. The amounts are generally calculated using assumptions and methods similar to those used for the outstanding claims liability as disclosed in note 4. Where possible, the valuation of reinsurance recoveries is linked directly to the valuation of the gross outstanding claims liability. Accordingly, the valuation of outstanding reinsurance recoveries is subject to similar risks and uncertainties as the valuation of the outstanding claims liability. Significant individual losses are analysed on a case by case basis for reinsurance purposes.

### (c) The effect of changes in assumptions

The effect of changes in assumptions on the net outstanding claims liability, which incorporates the reinsurance recoveries on outstanding claims and other recoveries receivable, is disclosed in note 4.

## 12. Deferred insurance assets

### (a) Deferred acquisition costs (DAC)

	Consolidated		Parent	
	2013 NZ\$'000	2012 NZ\$'000	2013 NZ\$'000	2012 NZ\$'000
DAC at the beginning of the financial year	13,441	7,842	-	-
Costs deferred during the year	63,731	31,164	-	-
Amortisation charged to profit for the year	(42,291)	(25,565)	-	-
Unexpired risk provision *	(567)	-	-	-
<b>DAC at the end of the financial year</b>	<b>34,314</b>	<b>13,441</b>	<b>-</b>	<b>-</b>

\* For details regarding the unexpired risk provision refer to note 19(b).

Analysed as:

Current	25,847	12,721	-	-
Non-current	8,467	720	-	-

During the 2013 financial year Risk Management SEA Pte Ltd (RMSEA) and CBL entered into an agreement on 30 June 2013 to cancel their reinsurance contract. The agreement resulted in a DAC of NZ\$15.5m on 30 June 2013 which is amortised straight line over 36 months. Included within the line 'Amortisation charged to profit for the year' is NZ\$2.6m relating to the amortisation of this DAC.

**(b) Deferred reinsurance expense (DRE)**

	Consolidated		Parent	
	2013 NZ\$'000	2012 NZ\$'000	2013 NZ\$'000	2012 NZ\$'000
DRE at the beginning of the financial year	7,120	4,445	-	-
Costs deferred during the year	11,983	19,475	-	-
Amortisation charged to profit for the year	(17,101)	(16,799)	-	-
<b>DRE at the end of the financial year</b>	<b>2,002</b>	<b>7,121</b>	<b>-</b>	<b>-</b>
Analysed as:				
Current	1,969	6,915	-	-
Non-current	33	206	-	-

**19. Unearned premium liability**

**(a) Reconciliation of movements in the unearned premium liability (UPL)**

	Consolidated		Parent	
	2013 NZ\$'000	2012 NZ\$'000	2013 NZ\$'000	2012 NZ\$'000
UPL at the start of the financial year	46,615	27,943	-	-
Premium written	165,284	107,683	-	-
Premium earned	(137,976)	(89,011)	-	-
<b>UPL at the end of the financial year</b>	<b>73,923</b>	<b>46,615</b>	<b>-</b>	<b>-</b>
Analysed as:				
Current	71,348	43,724	-	-
Non-current	2,575	2,891	-	-

**(b) Liability adequacy test**

The liability adequacy test has been conducted using the central estimate of the premium liabilities together with an appropriate margin for uncertainty. The test is based on prospective information and therefore is heavily dependent on assumptions and judgments. The risk margin used in testing individual portfolios is based on an assessment of the recent historical experience in relation to the volatility of the insurance margin.

The liability adequacy test as at 31 December 2013 identified a deficit of NZ\$0.6 million. Accordingly, deferred acquisition costs have been written down by this amount; refer to note 12(a). For the year ended 31 December 2012 a surplus was identified.

## 28. Financial risk management

### (iv) Total assets bearing credit risk

The Group's assets are analysed in the table below using Standard & Poor's (S&P) rating, or equivalent when not available from S&P. The concentration of credit risk is substantially unchanged compared to the prior year.

#### 31 December 2013

Amounts in NZ\$'000	AAA	AA	A	BBB	Below BBB	Not rated	Total
Debt securities	-	12	-	-	-	-	12
Loans and receivables	-	-	-	-	-	77,751	77,751
Reinsurance contracts	-	695	-	-	-	406	1,101
Cash and cash equivalents	-	85,934	6,361	173	1,679	-	97,837
Total	-	86,641	6,361	173	1,679	78,157	176,701

#### 31 December 2012

Amounts in NZ\$'000	AAA	AA	A	BBB	Below BBB	Not rated	Total
Debt securities	-	12	-	-	-	-	12
Loans and receivables	-	-	13,824	-	-	27,878	41,702
Reinsurance contracts	-	-	-	-	-	62	62
Cash and cash equivalents	-	64,887	147	-	-	-	65,034
Total	-	64,899	13,971	-	-	27,940	106,810

### **Forecast Growth Rates**

Gross written premium across the group is forecast to grow at between 10% - 15% p.a. over the next two to three years, with operating profit over the same period forecast to grow by 15% - 25% p.a.

### **Disclosure of information to Noteholders**

Noteholders may access information in relation to the CBL Group as follows:

- 1 to view the full annual reviews of the CBL Group, go to <http://www.cblinsurance.com/Investor-Centre/Financials/> where full and summary accounts of the CBL Group for each financial year (from 2009) will be publicly available. The 2013 accounts will be made publicly available on the website from the date of this Information Memorandum;
- 2 to gain access to the quarterly reports of the CBL Group (which will include an updated commentary on the performance of the CBL Group, management accounts of the CBL Group, and details of any other issue that may impact the CBL Group), Noteholders will need to obtain an investor login by sending an email request to Carden Mulholland ([cmulholland@cblinsurance.com](mailto:cmulholland@cblinsurance.com)) and the Noteholder will be provided with a user name and password in an email response. The Noteholder will then log in at: [http://www.cblinsurance.com/CDF\\_Account/LogOn?ReturnUrl=%2FInvestor-Centre%2FInvestor-Login%2F](http://www.cblinsurance.com/CDF_Account/LogOn?ReturnUrl=%2FInvestor-Centre%2FInvestor-Login%2F;);
- 3 when the Noteholder logs into the investor centre for the first time, they will be prompted to change their password - this will only happen once. The new password must be a minimum of 6 characters containing an alpha/numeric combination; and

- 4 information will be uploaded to the investor centre, including the quarterly reports of the CBL Group and any other investor communications as may be required.

#### **Use of proceeds**

The Issuer intends to use the funds raised from the Notes to repay existing Group bank debt, pay issuance costs, and increase the solvency capital within CBL, with the remainder being retained to fund future investment and growth of the Group.

#### **Documents incorporated by reference**

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Notes.

The following documents are incorporated in, and taken to form part of, this Information Memorandum:

- the Note Trust Deed;
- the Security Trust Deed;
- the most recent audited consolidated annual financial statements and unaudited consolidated semi-annual financial statements (if any) of the CBL Group which are publicly available on its website at <http://www.cblinsurance.com>;
- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time and all documents stated herein or therein to be incorporated in this Information Memorandum;
- all other documents issued by the Issuer and stated to be incorporated by reference in this Information Memorandum by reference; and
- the Pricing Supplement and all documents stated therein to be incorporated in this Information Memorandum.

The Issuer's financial statements and accounts are prepared under the Financial Reporting Act of New Zealand in New Zealand dollars and in accordance with New Zealand equivalents to International Financial Reporting Standards. The Issuer does not provide a reconciliation to Australian reporting laws and regulations.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be modified or superseded in this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference into this Information Memorandum modifies or supersedes such statement (including whether expressly or by implication).

Except as provided above, no other information, including any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Any internet site addresses provided in this Information Memorandum are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

#### **Disclosure obligations**

Pursuant to the Note Trust Deed, the Issuer will be required to provide directly to the Note Trustee, and make available on its website to the Noteholders as set out in the section "Disclosure of information to Noteholders" above, certain disclosure documents, including, but not limited to, a quarterly report incorporating an updated commentary on the performance of the Group, management accounts of the Group, and details of any other issue that may impact the Group. The Issuer also undertakes to deliver to the Note Trustee its annual audited accounts and any other information about the business and financial condition of the Issuer as the Note Trustee may reasonably request.

## Summary

*The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, the applicable Conditions and any relevant Pricing Supplement. A term used below but not otherwise defined has the meaning given to it in the Conditions. A reference to a "Pricing Supplement" does not limit provisions or features which may be supplemented, amended, modified or replaced by a Pricing Supplement in relation to an issue of Notes.*

<b>Issuer:</b>	<p>CBL Corporation Limited (New Zealand company number 3888838).</p> <p>Further information (which information is not incorporated by reference in this Information Memorandum) regarding the Issuer can be obtained from its website at <a href="http://www.cblinsurance.com">http://www.cblinsurance.com</a> or from the documents specifically incorporated by reference in this Information Memorandum.</p>
<b>Initial Guarantors:</b>	<p>(a) LBC Holdings New Zealand Limited (New Zealand company number 4772359)</p> <p>(b) LBC Holdings Europe Limited (New Zealand company number 4774919)</p> <p>(c) LBC Holdings UK Limited (New Zealand company number 4774859)</p> <p>(d) Intercede 2408 Limited (English company number 07550811)</p> <p>(e) European Insurance Services Limited (English company number 05681736)</p> <p>The Notes are issued with the benefit of the Guarantee. The obligations of the Initial Guarantors under the Guarantee rank, and will rank, at least equally with all other present and future senior unsecured obligations of the Initial Guarantors, except for liabilities mandatorily preferred by law.</p> <p>The Issuer may, from time to time, as required under Condition 5.2 ("Financial covenants") and in accordance with the terms of the Note Trust Deed appoint or procure the appointment of any Subsidiary of the Issuer or the Initial Guarantors as an additional guarantor or obtain a release of a guarantor (each entity from time to time appointed as a guarantor which has not been released, a "<b>Guarantor</b>").</p>
<b>Guarantee:</b>	<p>The payment of principal and interest in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors, as more fully set out in the Note Trust Deed.</p>
<b>Lead Manager and Initial Subscriber:</b>	<p>FIIG Securities Limited (ABN 68 085 661 632).</p>
<b>Registrar:</b>	<p>BTA Institutional Services Australia Limited (ABN 48 002 916 396) or such other person appointed by the Issuer under an Agency Agreement to perform registry functions and establish and maintain a Register (as defined below) on the Issuer's behalf from time to time ("<b>Registrar</b>").</p>
<b>Issuing &amp; Paying Agent:</b>	<p>BTA Institutional Services Australia Limited (ABN 48 002 916 396) or any other person appointed by the Issuer under an Agency Agreement to act as issuing or paying agent on the Issuer's behalf from time to time ("<b>Issuing &amp; Paying Agent</b>").</p>
<b>Calculation Agent:</b>	<p>BTA Institutional Services Australia Limited (ABN 48 002 916 396) or any other person appointed by the Issuer to act as calculation agent on the Issuer's behalf from time to time ("<b>Calculation Agent</b>").</p>

<b>Agents:</b>	Each of the Registrar, Issuing & Paying Agent, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to any Tranche or series of Notes (together, the <b>"Agents"</b> ).
<b>Note Trustee:</b>	BNY Trust Company of Australia Limited (ABN 49 050 294 052) or such other person appointed under the Note Trust Deed as trustee of the CBL Corporation Note Trust from time to time ( <b>"Note Trustee"</b> ).
<b>Security Trustee:</b>	Permanent Custodians Limited (ABN 55 001 426 384) or such other person appointed under the Security Trust Deed as trustee of the CBL Corporation Security Trust from time to time ( <b>"Security Trustee"</b> ).
<b>Form of Notes:</b>	<p>Notes will be issued in registered form and will be debt obligations of the Issuer which are constituted by, and owing under, the Note Trust Deed.</p> <p>Notes take the form of entries in a register (<b>"Register"</b>) maintained by the Registrar.</p> <p>No certificates will be issued to Noteholders unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or directive.</p>
<b>Negative pledge:</b>	Notes will have the benefit of a negative pledge, as described in Condition 5.1 ( <b>"Group Negative pledge"</b> ).
<b>Financial covenants:</b>	Notes will have the benefit of certain financial covenants as described in Condition 5.2 ( <b>"Financial covenants"</b> ).
<b>Status and ranking:</b>	Notes will be direct, secured, unconditional and unsubordinated obligations of the Issuer and will at all times rank equally among themselves and at least equally with all other direct, secured, unconditional and unsubordinated obligations of the Issuer, except liabilities mandatorily preferred by law.
<b>Security:</b>	The Notes will have the benefit of the Security as more fully described in the section entitled <b>"Security Arrangements"</b> below.
<b>Denomination:</b>	Notes will be issued in the single denomination of A\$1,000.
<b>Minimum initial subscription parcel size:</b>	A\$50,000, and in increments of A\$10,000 thereafter.
<b>Clearing System:</b>	<p>Notes are intended to be traded on the clearing and settlement system operated by Austraclear Ltd (ABN 94 002 060 773) (<b>"Austraclear System"</b>).</p> <p>The Issuer may apply to Austraclear Ltd (ABN 94 002 060 773) (<b>"Austraclear"</b>) for approval for Notes to be traded on the Austraclear System. Upon approval by Austraclear, the Notes will be traded through Austraclear in accordance with the rules and regulations of the Austraclear System.</p> <p>Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such Notes.</p> <p>Transactions relating to interests in the Notes may also be carried out through the settlement system operated by Euroclear Bank S.A./N.V. (<b>"Euroclear"</b>), the settlement system operated by Clearstream Banking, société anonyme (<b>"Clearstream, Luxembourg"</b>) or any other clearing system outside Australia specified in the relevant Pricing Supplement.</p> <p>Interests in the Notes traded in the Austraclear System may be held for the benefit of Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC</p>

	<p>Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.</p> <p>The rights of a holder of interests in a Note held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Note, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Conditions.</p> <p>The Issuer will not be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.</p>
<b>Title:</b>	<p>Title to Notes passes when details of the transfer are entered in the Register.</p> <p>Notes which are held in the Austraclear System will be registered in the name of Austraclear Ltd (ABN 94 002 060 773).</p>
<b>Payments:</b>	<p>Payments to persons who hold Notes through the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System.</p>
<b>Redemption:</b>	<p>Notes will be redeemed on, and may be redeemed prior to, their scheduled maturity as more fully set out in the Conditions and the relevant Pricing Supplement.</p> <p>Notes entered in the Austraclear System will be redeemed through the Austraclear System in a manner that is consistent with the rules and regulations of the Austraclear System.</p>
<b>Selling restrictions:</b>	<p>The Notes may not be offered or sold outside Australia. Certain restrictions on the offer, sale or delivery of Notes in Australia are set out in the Conditions.</p>
<b>Transfer procedure:</b>	<p>Notes may only be transferred in whole and in accordance with the Conditions. Transfers of Notes held in the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System.</p>
<b>Taxes and stamp duty:</b>	<p>All payments of principal and interest by the Issuer in respect of the Notes will be made free and clear of withholding taxes of New Zealand except as otherwise specified in the relevant Pricing Supplement. No additional amounts will be payable with respect to any withholding or deduction for or on account of New Zealand resident withholding tax. Additional amounts will be payable to the Noteholder with respect to any withholding or deduction for or on account of New Zealand non-resident withholding tax.</p> <p><i>Approved Issuer Levy</i></p> <p>The Issuer will seek to be approved by the New Zealand Inland Revenue Department as an "approved issuer" for the purposes of the Approved Issuer Levy regime. The Issuer intends to pay the approved issuer levy so that all payments of interest made by it to a non-resident of New Zealand for taxation purposes can be made without having to deduct non-resident withholding tax. However, the approved issuer levy regime may not apply in certain circumstances.</p> <p>Investors should obtain their own taxation and stamp duty advice regarding an investment in any Notes.</p>
<b>Listing:</b>	<p>The Notes will not be listed or quoted on any stock or securities exchange.</p>

<b>Rating:</b>	Neither the Issuer nor the Notes have been nor will be rated by any credit ratings agency.
<b>Governing law:</b>	The Notes and all related documentation will be governed by the laws of New South Wales, Australia.



## Security Arrangements

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*This section contains a summary of the Security Trust Deed dated 15 April 2014 between, among others, the Issuer and Permanent Custodians Limited (ABN 55 001 426 384) ("**Security Trustee**") ("**Security Trust Deed**") and the Securities (as defined in the Security Trust Deed) ("**Securities**"). This summary is qualified in its entirety by reference to the provisions of the Notes, the Security Trust Deed, the Securities and the other underlying documents described below.*

*Capitalised terms used in this section have the meaning given to them in the Security Trust Deed, unless otherwise defined.*

### **Overview**

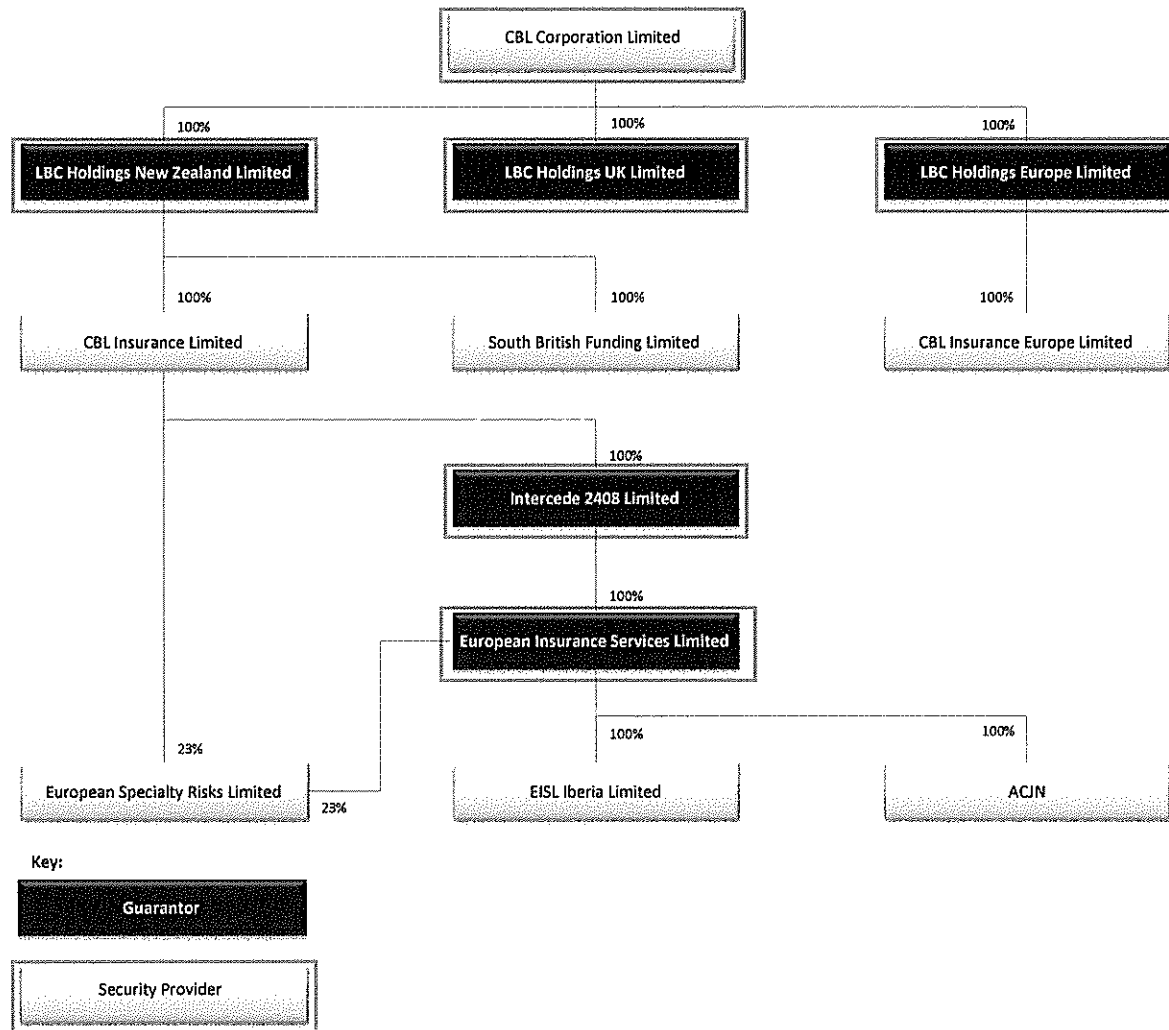
The obligations of the Issuer under the Notes will be secured by a first ranking general security deed over all of the Issuer's present (and after-acquired) property, and includes anything in respect of which the Issuer has at any time a sufficient right, interest or power to grant a security interest, governed by the law of New Zealand.

The obligations of the Initial Guarantors under the Guarantee will be secured by:

- (a) a first ranking general security deed over all of the present (and after-acquired) property of each of LBC Holdings New Zealand Limited (New Zealand company number 4772359), LBC Holdings Europe Limited (New Zealand company number 4774919) and LBC Holdings UK Limited (New Zealand company number 4774859) ("**NZ Initial Guarantors**"), and includes anything in respect of which the NZ Initial Guarantors have at any time a sufficient right, interest or power to grant a security interest, governed by the law of New Zealand;
- (b) a first ranking all-asset debenture granted by Intercede 2408 Limited (English company number 07550811), governed by English law;
- (c) a first ranking debenture granted by European Insurance Services Limited (English company number 05681736) over all of its assets other than those required to satisfy the Financial Conduct Authority of the United Kingdom's regulatory capital and appropriate resources requirements, governed by English law; and
- (d) a first ranking share security granted by LBC Holdings Europe Limited (New Zealand company number 4774919) over the shares of CBL Insurance Europe Limited (Irish company number 218234), governed by the law of the Republic of Ireland.

The securities described in this section have been granted in favour of the Security Trustee, who holds them on trust for the Beneficiaries (as defined in the Security Trust Deed) in accordance with the terms of the Security Trust Deed. The Security Trustee, the Note Trustee and the Noteholders will be Beneficiaries for the purposes of the Security Trust Deed.

The following diagram represents the structure of the CBL Corporation Limited group.



### ***Securities***

Each of the Issuer and an Initial Guarantor has granted security interests in favour of the Security Trustee over their present (and after-acquired) property, and includes anything in respect of which the Issuer or the Initial Guarantor (as the case may be) has at any time a sufficient right, interest or power to grant a security interest. These security interests secure amounts which each of them is or may become liable to pay to a Beneficiary in connection with a Transaction Document.

The securities described above are governed by the law of New Zealand, English law or the law of the Republic of Ireland.

### ***Beneficiaries under the Security Trust Deed***

The Beneficiaries will have the benefit of the Securities granted to the Security Trustee under the Security Trust Deed. The Security Trustee, the Note Trustee and the Noteholders will be the Beneficiaries.

### ***Instructions by Beneficiaries under the Security Trust Deed***

The rights under the Securities are granted in favour of the Security Trustee. The Security Trust Deed provides that, in the exercise of all such rights, the Security Trustee shall act in accordance with the instructions of the Beneficiaries given by way of Ordinary Resolution or a Special Resolution. This is subject to the matters set out in the sections entitled "Unanimous instructions under the Security Trust Deed" below. In the absence of such instructions, the Security Trustee need not act.

Under the Security Trust Deed, an "Ordinary Resolution" means a resolution passed at a meeting of Beneficiaries by at least 50% of the votes cast and a "Special Resolution" means a resolution passed at a meeting of Beneficiaries by at least 66⅔% of the votes cast.

#### ***Unanimous instructions under the Security Trust Deed***

Under the Security Trust Deed, there are certain circumstances in which the Security Trustee must only act on the instructions of all Beneficiaries (with the Note Trustee acting as the representative for all Noteholders). These include:

- (a) a change to certain definitions in the Security Trust Deed;
- (b) an exercise of any discretion in distribution of moneys received or recovered by the Security Trustee;
- (c) a change to the clauses which govern the ability to instruct the Security Trustee and the order of distribution of moneys received or recovered by the Security Trustee; and
- (d) the release of (either in whole or part) any Security Interest other than to permit a transaction which complies with the Transaction Documents.

#### ***Procedures for seeking instructions***

Under the Security Trust Deed, when seeking instructions from the Beneficiaries, the Security Trustee may specify in writing a period within which instructions are to be provided. The period will be not more than 10 Business Days or any longer period agreed by the Beneficiaries.

If a Beneficiary does not provide instructions in writing within the period specified it will be disregarded for the purpose only of determining whether instructions have been given by a specified majority of, or by all, Beneficiaries.

Under the Note Trust Deed, if the Security Trustee requests instructions from the Note Trustee for the taking of any action which requires a direction, approval, consent or determination of the Beneficiaries under the Security Trust Deed (or any class of them), the Note Trustee will:

- (a) notify each Noteholder and seek directions and instructions;
- (b) calculate the aggregate Exposure of Noteholders directing in favour or and against the approval, consent, determination or direction; and
- (c) notify the Security Trustee of the aggregate Exposure of Noteholders directing in favour for and against the approval, consent, determination or direction.

#### ***Distribution of recovered moneys***

Under the Security Trust Deed, the Security Trustee will apply all money received or recovered by it which is available for distribution to the Beneficiaries in the following order of priority:

- (a) **First:** to each holder of a Security Interest and which has priority in relation to the relevant Secured Property;
- (b) **Second:** to any Receiver appointed to the Secured Property;
- (c) **Third:** all fees, costs and other amounts (including Secured Moneys) due to the Security Trustee;
- (d) **Fourth:** *pari passu* and rateably to pay each Agent for its fees and all other Secured Moneys owing to it;
- (e) **Fifth:** *pari passu* and rateably to pay each Beneficiary all Secured Moneys owing to it;
- (f) **Sixth:** to each holder of a Security Interest and which ranks after any Security in relation to the relevant Secured Property; and
- (g) **Seventh:** to the relevant Security Provider,

unless otherwise agreed in unanimously by the Beneficiaries.

Notwithstanding the above, amounts distributed in accordance with the Security Trust Deed to the extent payable in respect of Notes will be paid to the Note Trustee (as required by clause 5.4 of the Note Trust Deed) and distributed by it in the order described in clause 2.3 of the Note Trust Deed.

***Release of security***

As described above in the section entitled "Unanimous instructions under the Security Trust Deed", the Security Trustee must not release any Security Interest existing for the benefit of a Beneficiary, without the consent of that Beneficiary (other than to permit a transaction which complies with each of the Transaction Documents).

***Indemnity to Security Trustee***

Under the Security Trust Deed, the Security Trustee has the benefit of an indemnity from the Issuer and each Security Provider against any liability or loss arising from, and any costs incurred as the Security Trustee.

***Limitation of liability of Security Trustee***

Under the Security Trust Deed, the Security Trustee and its officers, employees, agents, attorneys and Related Entities are not liable or responsible to the Beneficiaries for a broad range of matters. This includes any action taken or not taken by it or them under any Transaction Document.

***Enforcement of the shares of CBL Insurance Europe Limited***

CBL Insurance Europe Limited (Irish company number 218234) is regulated by the Central Bank of Ireland as a non-life insurance undertaking. The European Communities (Assessment of Acquisitions in the Financial Sector) Regulations 2009 which are in effect in Ireland provide that the Central Bank of Ireland must be notified in advance of a proposed acquisition of, or increase in, direct or indirect qualifying holding in respect of, among others, an insurance undertaking. A qualifying holding is a holding which represents 10% or more of the share capital of or voting rights in the undertaking. This notification would involve providing details of the proposed acquirer, the rationale for the proposed acquisition, the impact of the acquisition on the target entity and how the acquisition is to be financed. The Central Bank of Ireland may, after a defined period and based on a prudential assessment, decide to oppose or approve the proposed acquisition.

An enforcement of the security over the shares of CBL Insurance Europe Limited would fall within the ambit of an acquisition and prior notification to the Central Bank of Ireland will be required. Such acquisition will remain subject to the Central Bank of Ireland's approval.

# Conditions

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*The following are the Conditions which, as supplemented, amended, modified or replaced in relation to any Tranche of Notes by the relevant Pricing Supplement, will apply to that Tranche of Notes. References to a "Pricing Supplement" in these Conditions do not limit the provisions which may be supplemented, amended, modified or replaced by the Pricing Supplement.*

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## **1 Interpretation**

### **1.1 Terms defined in Pricing Supplement**

Terms which are specified in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions.

### **1.2 Definitions**

In these Conditions, the following meanings apply unless the contrary intention appears:

**Additional Amount** means an additional amount payable by the Issuer under Condition 12.2 ("Withholding tax");

**Agency Agreement** means:

- (a) the agreement entitled Agency and Registry Services Agreement between the Issuer, the Initial Guarantors, the Registrar, the Issuing & Paying Agent and the Calculation Agent dated 15 April 2014;
- (b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of Notes; and/or
- (c) any other agency agreement entered into between the Issuer and an agent in connection with any issue of Notes;

**Agent** means each of the Registrar, the Issuing and Paying Agent, the Calculation Agent and any other agent appointed under an Agency Agreement, or any of them as the context requires;

**Alpha Holdings Loan** means the loan provided by CBL Insurance Limited (New Zealand company number 27582) to Alpha Holdings A/S under the loan agreement dated 21 December 2012;

**Austraclear** means Austraclear Ltd (ABN 94 002 060 773);

**Austraclear Regulations** means the regulations known as "Austraclear Regulations" together with any instructions or directions established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

**Austraclear System** means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system;

**Business Day** means a day (not being a Saturday, Sunday or public holiday in the relevant place) on which banks are open for general banking business in Sydney and Auckland and, if a Note held in the Austraclear System is to be issued or payment made in respect of a Note held in the Austraclear System on that day, a day on which the Austraclear System is operating;

**Business Day Convention** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Pricing Supplement in relation to any date applicable to any Note, have the following meanings:

- (a) **Following Business Day Convention** means that the date is postponed to the first following date that is a Business Day; and
- (b) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;

**Calculation Agent** means BTA Institutional Services Australia Limited (ABN 48 002 916 396);

**Capital Reduction** has the meaning given in Condition 5.2(b) ("Financial covenants");

**Conditions** means, in relation to the Notes, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Note and references to a particular numbered Condition shall be construed accordingly;

**Corporations Act** means the Corporations Act 2001 of Australia;

**Day Count Fraction** means, in respect of the calculation of interest on a Note for any period of time ("Calculation Period"), the day count fraction specified in the Pricing Supplement and:

- (a) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365; and
- (b) if "**RBA Bond Basis**" is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
  - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365));

**Denomination** means A\$1,000, being the notional face value of each Note;

**Distribution** has the meaning given in Condition 5.2(b) ("Financial covenants");

**EBIT** means, for any Relevant Period, the operating profits of the Group:

- (a) before taxation for that Relevant Period;
- (b) before deducting any Finance Charges;
- (c) before taking into account any items treated as exceptional or extraordinary items;
- (d) before taking into account unrealised exchange gains or losses,

including the aggregate previous 12 months earnings of any entity that any member of the Group acquires in that Relevant Period before taxation, Finance Charges and significant items for that 12 month period, and in each case, to the extent deducted or taken into account, as the case may be, for the purposes of determining the profits of the Group from ordinary activities before taxation;

**EBITDA** means, for any Relevant Period, EBIT for that Relevant Period before deducting any amount attributable to amortisation of goodwill or depreciation of tangible assets;

**Event of Default** means the happening of any event set out in Condition 14 ("Events of Default");

**Finance Charges** means, for any Relevant Period, the aggregate interest and amounts in the nature of interest, or having a similar purpose of effect of interest, which would be included in the consolidated financial statements of the Group as having been paid, incurred or received by members of the Group and includes but is not limited to any margin, line, facility, acceptance, discount or other fees and amounts incurred on a regular or recurring basis payable in relation to Financial Indebtedness of any member of the Group but excludes mark to market items which have been notionally accounted for;

**Financial Indebtedness** means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised under any acceptance credit, or bill acceptance, discount or endorsement facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with any applicable generally accepted accounting practices, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any redeemable shares or other instrument where the holder has the right, or the right in certain conditions, to require redemption;
- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (h) consideration for the acquisition of assets (excluding inventory bought in the ordinary course of business) or services payable more than 90 days after acquisition;
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) inclusive above.

For the purposes of the definition of Financial Indebtedness, any possible increase in Financial Indebtedness resulting from changes to accounting definitions will be disregarded;

**First Optional Redemption Date** means the date so specified in the Pricing Supplement;

**Fixed Coupon Amount** means the amount specified in, or determined in accordance with, the Pricing Supplement;

**Fixed Rate Note** means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on any other dates as specified in the applicable Pricing Supplement;

**Floating Rate Note** means a Note on which interest is calculated at a floating rate payable monthly or 2, 3, 6, or 12 monthly or in respect of any other period or on any other date specified in the applicable Pricing Supplement;

**Group** means the Issuer and each of its Subsidiaries from time to time;

**Guarantee** means the guarantee of the Notes set out in the Note Trust Deed;

**Guarantors** means the Initial Guarantors and each other entity that has provided a Guarantee of the Notes (and has not been released from such Guarantee) under the Note Trust Deed from time to time;

**Information Memorandum** means the information memorandum, disclosure document or other offering document referred to in a Pricing Supplement in each case prepared by, or on behalf of, and approved by, the Issuer in connection with the issue of Notes and all documents incorporated by reference in it;

**Initial Guarantors** means the following persons:

- (a) LBC Holdings New Zealand Limited (New Zealand company number 4772359);
- (b) LBC Holdings Europe Limited (New Zealand company number 4774919);
- (c) LBC Holdings UK Limited (New Zealand company number 4774859);
- (d) Intercede 2408 Limited (English company number 07550811); and
- (e) European Insurance Services Limited (English company number 05681736);

a person is **Insolvent** if:

- (a) it declares (or states that it has been declared) bankrupt or insolvent, is unable to pay its debts when they fall due, or is presumed unable to pay its debts in accordance with section 287 of the Companies Act 1993 of New Zealand;
- (b) it enters into dealings with any of its creditors with a view to avoiding, or in expectation of, insolvency;
- (c) it makes a general assignment or an arrangement, compromise or composition with or for the benefit of any of its creditors;
- (d) it stops or threatens to stop payments generally; or
- (e) something having a substantially similar effect to paragraphs (a) to (d) above happens in connection with that person under the law of any jurisdiction;

**Insurance Subsidiaries** means CBL Insurance Limited (New Zealand company number 27582) and CBL Insurance Europe Limited (Irish company number 218234) and any New Subsidiary identified by the Issuer as a regulated insurer;

**Intercede Loan** means the loan provided by Alpha Insurance A/S to Intercede 2408 Limited (English company number 07550811) under the loan agreement also dated 21 December 2012;

**Interest Commencement Date** means, for a Note, the Issue Date of the Note or any other date so specified in, or determined in accordance with, the Pricing Supplement;

**Interest Payment Date** means each date so specified in the Pricing Supplement;



**Interest Period** means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date or, if redeemed earlier, an Optional Redemption Date;

**Interest Rate** means, in respect of a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note specified in the Pricing Supplement or calculated or determined in accordance with these Conditions and the Pricing Supplement;

**Issue Date** means the date on which a Note is, or is to be issued, as specified in, or determined in accordance with, the Pricing Supplement;

**Issue Price** means, in respect of a Note, the price of that Note as set out in the Pricing Supplement;

**Issuing & Paying Agent** means BTA Institutional Services Australia Limited (ABN 48 002 916 396);

**Issuer** means CBL Corporation Limited (New Zealand company number 3888838);

**Margin** means the margin specified in, or determined in accordance with, the Pricing Supplement;

**Maturity Date** means the date so specified in, or determined in accordance with, the Pricing Supplement as the date on which the Note is to be redeemed (and adjusted, if necessary, in accordance with the applicable "Business Day Convention" so specified in the Pricing Supplement);

**Meeting Provisions** means the provisions relating to meetings of Noteholders set out in the Note Trust Deed;

**New Subsidiary** means a new member of the Group that did not exist as at the Issue Date that is subsequently established by the Issuer or another member of the Group solely for the purpose of acquiring assets from entities not within, or related to, the Group;

**Note** means a medium term debt obligation issued or to be issued by the Issuer which is constituted by, and owing under the Note Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register. References to any particular type of "Note" or "Notes" should be read and construed accordingly. All references to Notes must, unless the context otherwise requires, be read and construed as references to the Notes of a particular series;

**Note Trust Deed** means the document entitled "Note Trust Deed" dated 15 April 2014 and executed by, amongst others, the Issuer, the Initial Guarantors and the Note Trustee;

**Note Trustee** means BNY Trust Company of Australia Limited (ABN 49 050 294 052) in its capacity as trustee of the CBL Corporation Note Trust constituted by the Note Trust Deed or such other person appointed under the Note Trust Deed as trustee of the CBL Corporation Note Trust;

**Noteholder** means, in respect of a Note, the person whose name is entered in the Register as the holder of that Note;

**NPAT** for any financial period, (including any half year and/or full year), the net profit after tax for the period of the entity or the Group (as applicable), as shown in the financial statements of that entity or the consolidated financial statements of the Group (as applicable) for the financial period;

**NZ GAAP** means generally accepted accounting practice in New Zealand as defined in section 3 of the Financial Reporting Act 1993 of New Zealand;

**NZ PPSA** means the Personal Properties Securities Act 1999 of New Zealand;

**Optional Redemption Date** means the First Optional Redemption Date or the Second Optional Redemption Date;

**Payment Date** means, as applicable, the Maturity Date, an Interest Payment Date or other relevant date on which a payment in respect of a Note is due;

**a Permitted Financial Indebtedness** means:

- (a) any Financial Indebtedness incurred by a New Subsidiary and where the rights granted to the provider of that Financial Indebtedness are limited to property of that New Subsidiary over which a Security Interest has been granted to secure that Financial Indebtedness and the provider of that Financial Indebtedness has no further recourse to any person or other property, provided that, after giving pro-forma effect to the incurrence of such Financial Indebtedness and the application of the proceeds thereof, the ratio of the aggregate principal amount of all Financial Indebtedness of the Group (less the amount outstanding under the Intercede Loan, provided that the obligation to repay the full amount of the Intercede Loan can be fully offset and extinguished against the Alpha Holdings Loan receivable at any time by notice in writing) to EBITDA is not more than 1.75:1; and
- (b) any Financial Indebtedness incurred with the prior written approval of the Note Trustee (acting on the instructions of a Special Resolution of Noteholders).

**a Permitted Security Interest** means:

- (a) a Security;
- (b) a Security Interest described in paragraph (a) of the definition of Permitted Financial Indebtedness;
- (c) a Security Interest arising by operation of law and in the ordinary course of trading or business so long as the Financial Indebtedness secured by that Security Interest is paid when due or contested in good faith and appropriately provisioned;
- (d) any netting and set-off arrangements arising in the ordinary course of the Group's banking arrangements;
- (e) any Security Interest approved by the Noteholders pursuant to the Meeting Provisions;
- (f) any Security Interest provided for by one of the following transactions if the transaction does not secure payment or performance of an obligation:
  - (i) account receivable or chattel paper (each as defined in the NZ PPSA);
  - (ii) a commercial consignment; or
  - (iii) a lease for a term of more than 1 year (as defined in the NZ PPSA);
- (g) any Security Interest in respect of personal property which is a purchase money security interest (as defined in the NZ PPSA) in favour of a seller securing all or part of the purchase price for personal property which is acquired by a member of the Group in the ordinary course of trading and provided that the Financial Indebtedness secured thereby is not in default, is repaid within 90 days of being incurred and the value of the assets the subject of that Security Interest does not, at any time, exceed in aggregate in respect of all such Security Interests A\$250,000; and

- (h) any other Security Interest in respect of Financial Indebtedness securing up to a maximum aggregate amount at any time that does not exceed A\$5,000,000 for the Group taken as a whole;

**Pricing Supplement** means, in respect of a Tranche, the pricing supplement prepared and issued specifying the relevant issue details of such Notes and which has been confirmed by the Issuer;

**Record Date** means the close of business in the place where the Register is maintained on the eighth day before the Payment Date;

**Register** means the register of holders of Notes established and maintained by or on behalf of the Issuer under an Agency Agreement;

**Registrar** means BTA Institutional Services Australia Limited (ABN 48 002 916 396);

**Related Body Corporate** has the meaning it has in the Corporations Act;

**Relevant Period** means, on any date falling in a calendar month, the period of twelve months prior to and ending on the last day of the calendar month in which the relevant date falls;

**Second Optional Redemption Date** means the date so specified in the Pricing Supplement;

**Secured Debt** means all Financial Indebtedness of the Group secured by a Security Interest;

**Security** has the meaning given to that term in the Security Trust Deed;

**Security Interest** includes any mortgage, pledge, lien, security assignment, assignation of security, charge or any other security or preferential interest or arrangement of any kind securing any obligation of any person (including under section 17(1) of the NZ PPSA) or any other right of, or arrangement with, any creditor to have its claims satisfied in priority to other creditors with, or from the proceeds of, any asset. It includes retention of title other than in the ordinary course of day-to-day trading and a deposit of money by way of security but it excludes a charge or lien arising in favour of a government agency by operation of statute unless there is default in payment of moneys secured by that charge or lien;

**Security Trust Deed** means the document entitled "Security Trust Deed" dated 15 April 2014 between the Issuer and the Security Trustee;

**Security Trustee** means Permanent Custodians Limited (ABN 55 001 426 384) or any person who becomes the "Security Trustee" under the Security Trust Deed;

**Specified Office** means, for a person, that person's office specified in the Information Memorandum or Pricing Supplement or any other address notified to Noteholders from time to time;

**Subsidiary** means, in relation to any person:

- (a) a subsidiary within the meaning of section 5 of the Companies Act 1993 of New Zealand (or any other person which would be a subsidiary of that person if that person and the other person were both registered under the Companies Act 1993 of New Zealand); or

- (b) a "subsidiary" in accordance with NZ GAAP,

of that person;

**Tax Authority** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official, having power to tax to which the Issuer becomes subject in respect of payments made by it of principal or interest in respect of the Notes;

**Tax Jurisdiction** means New Zealand or any other jurisdiction in which it carries on business at or through a permanent establishment or enterprise and from which it issues the Notes or, in either case, any political subdivision thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes;

**Taxes** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any Tax Authority together with any related interest, penalties, fines and expenses in connection with them except if imposed on, or calculated having regard to, the net income of a Noteholder;

**Test Date** means each date on which:

- (a) any Security Interest has been granted by the Issuer, a Guarantor or another member of the Group;
- (b) new Financial Indebtedness after the Issue Date has been incurred by the Issuer, a Guarantor or another member of the Group;
- (c) any Distribution or Capital Reduction has been made by the Issuer, any Guarantor or any other member of the Group;
- (d) an Interest Payment Date occurs; or
- (e) there is any disposal of a material part of the assets of the Issuer, a Guarantor or any other member of the Group; and

**Tranche** means an issue of Notes specified as such in the Pricing Supplement issued on the same Issue Date and on the same terms.

### 1.3 References to certain general terms

Unless the contrary intention appears, a reference to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) a document (including these Conditions) includes any amendment, variation or replacement of it;
- (d) anything (including any amount) is a reference to the whole and each part of it;
- (e) a "**law**" includes common law, principles of equity, any decree and any statute or other law made by a parliament (and a statute or other law made by parliament includes any regulation or other instrument under it, and any consolidation, amendment, re-enactment or replacement of it);
- (f) a "**directive**" includes a treaty, official directive, request, regulation, guideline or policy (whether or not in any case having the force of law) with which responsible participants in the relevant market generally comply;
- (g) "**Australian dollars**" or "**A\$**" is a reference to the lawful currency of Australia;

- (h) **"New Zealand dollars"** or **"NZ\$"** is a reference to the lawful currency of New Zealand;
- (i) a time of day is a reference to Sydney time;
- (j) a **"person"** includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (k) a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- (l) the words **"including"**, **"for example"** or **"such as"** when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

#### **1.4 Number**

The singular includes the plural and vice versa.

#### **1.5 Headings**

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

#### **1.6 Calculation of period of time**

If a notice must be given within a certain period of days or a certain number of days notice must be given or any other matter must take place within a certain number of days, the day on which the notice is given or action taken, and the day on which the meeting is to be held or other action taken, are not to be counted in calculating that period and references to a "day" are to a calendar day.

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## **2 Introduction**

### **2.1 Pricing Supplement**

- (a) The Issuer will issue the Notes on the terms set out in these Conditions as supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes. If there is any inconsistency between these Conditions and such Pricing Supplement, the Pricing Supplement prevails.
- (b) The Notes are issued in a single series. The series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than in respect of the issue price and first payment of interest). A Tranche is the subject of a Pricing Supplement which supplements, amends, modifies or replaces these Conditions.
- (c) Copies of the Pricing Supplement and Conditions applicable to any Tranche of Notes are available for inspection or on request by a Noteholder or prospective Noteholder during normal business hours at the Specified Office of the Issuer, the Note Trustee or the Registrar or are otherwise available on reasonable request from the Issuer or the Registrar.

### **2.2 Types of Notes**

A Note is either:

- (a) a Fixed Rate Note; or
- (b) a Floating Rate Note,

as specified in the Pricing Supplement.

### **2.3 Currency and denomination**

The Notes are issued in Australian dollars in a single denomination of A\$1,000.

### **2.4 Issue restrictions and tenor**

The Notes may only be offered (directly or indirectly) for issue, or applications invited for the issue of Notes, if:

- (a) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the offeror or its associates to the offeree or its associates) or if the offer or invitation (including any resulting issue) otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act; and
- (b) the offer or invitation (including any resulting issue) complies with all other applicable laws and directives in the jurisdiction in which the offer, invitation or issue takes place.

### **2.5 Clearing systems**

Notes may, but need not, be held in the Austraclear System, in which case the rights of a person holding an interest in the Notes lodged in the Austraclear System are subject to the rules and regulations of the Austraclear System. Neither the Issuer nor any Guarantor is responsible for anything the Austraclear System does or omits to do.

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## **3 Form**

### **3.1 Constitution under the Note Trust Deed**

The Notes are debt obligations of the Issuer constituted by, and owing under, the Note Trust Deed.

### **3.2 Form**

The Notes are issued in registered form by entry in the Register.

### **3.3 No certificates**

No certificates will be issued to Noteholders unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or directive.

### **3.4 Effect of entries in Register**

Each entry in the Register in respect of a Note constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Note Trustee and the Noteholder to:
  - (i) pay principal, any interest and any other amount in accordance with these Conditions and the Note Trust Deed; and
  - (ii) comply with all other Conditions of the Note and the Note Trust Deed; and
- (b) an entitlement to the other benefits given to the Noteholder in respect of the Note under these Conditions and the Note Trust Deed.

### **3.5 Register conclusive as to ownership**

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note subject to correction for fraud or error.

### **3.6 Non-recognition of interests**

Except as ordered by a court of competent jurisdiction or required by law or directive, the Issuer, the Note Trustee, the Security Trustee and the Registrar must treat the person whose name is entered in the Register as the Noteholder of a Note as the absolute owner of that Note. This Condition applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

### **3.7 Joint Noteholders**

Where two or more persons are entered in the Register as the joint holder of a Note then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of a Note.

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## **4 Status and Guarantee**

### **4.1 Status of Notes**

The Notes are direct, secured, unconditional and unsubordinated obligations of the Issuer.

### **4.2 Ranking of Notes**

The Notes rank equally among themselves and at least equally with all other direct, secured, unconditional and unsubordinated obligations of the Issuer, except for liabilities mandatorily preferred by law.

### **4.3 Guarantee**

The Notes are issued with the benefit of the Guarantee. Pursuant to the Guarantee, each Guarantor unconditionally and irrevocably guarantees to the Noteholders, among other things, the due and punctual performance by the Issuer of its obligations under the Notes.

### **4.4 Security**

Amounts due under the Notes, the Note Trust Deed and the Guarantee of the Initial Guarantors are secured by the Security. The Security Trustee holds the Security on trust for the Beneficiaries (as defined in the Security Trust Deed, and which includes the Note Trustee and the Noteholders).

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## **5 Negative pledge and financial and other covenants**

### **5.1 Group negative pledge**

The Issuer will not (and will ensure that no other member of the Group will) create or permit to subsist any Security Interest upon the whole or any part of its (or that of a member of the Group's) present or future assets or revenues other than a Permitted Security Interest.

### **5.2 Financial covenants**

- (a) The Issuer will not (and will ensure that no other member of the Group, whether jointly or severally, will) incur or permit to subsist any new Financial Indebtedness after the Issue Date other than a Permitted Financial Indebtedness.

- (b) Subject to Condition 5.2(d), the Issuer will not (and will ensure that no other member of the Group will) declare or pay any dividend or make any other payment or distribution having the same effect ("**Distribution**"), or reduce, return, purchase, repay, cancel or redeem any of its share capital or buy back any of its shares ("**Capital Reduction**") under Chapter 2J of the Corporations Act (or an equivalent provision under any legislation in another jurisdiction applicable to that Guarantor) except:

- (i) where the recipient of the proceeds of such Distribution or Capital Reduction is the Issuer or a Guarantor;
- (ii) where the source of funds to effect such Distribution or Capital Reduction has not been raised by way of Secured Debt (or in a transaction or a series of transactions having substantially the same effect); or
- (iii) in the case of a Distribution, where that Distribution is only paid out of NPAT of the Group, up to a maximum aggregate amount equal to 15% of NPAT of the Group for the previous 12 months,

provided that, in any case, such Distribution is no greater than an amount lawfully permitted under applicable law.

So long as an Event of Default is subsisting, the Issuer will not declare or pay a dividend or make any distribution on any issued share in the Issuer, or pay any interest or other amounts in respect of any debt security issued which ranks behind (or equally with) the Notes in priority for payment of interest.

- (c) The Issuer will ensure that it will not (and will ensure that no member of the Group will) (whether in a single transaction or a series of related transactions) sell, transfer, lease, or otherwise dispose of, or create or allow to exist an interest in all or a material part of its assets or the assets of a member of the Group, other than:

- (i) disposals, partings with possession and interests created (including sub-leases):
  - (A) in the ordinary course of business and on arm's length commercial terms;
  - (B) where the asset are waste, obsolete and are not required for the efficient operation of its business;
  - (C) in exchange for other assets comparable or superior as to type, value and quality; or
  - (D) from the Issuer or a Guarantor to any member of the Group; and
- (ii) where an amount equal to the net proceeds of the disposal is used within 180 days after such disposal to:
  - (A) purchase, acquire, develop, redevelop or construct productive assets for use by the Issuer or a member of the Group in its business; and/or
  - (B) prepay or repay any Financial Indebtedness of the Issuer or a member of the Group.

- (d) The Issuer will ensure that it receives (including by procuring each member of the Group to make the necessary Distributions so that Issuer receives), within 90 days of the end of each financial year:



- (i) at least 50% of the NPAT of CBL Insurance Europe Limited (Irish company number 218234) for that financial year;
- (ii) at least 75% of the NPAT of European Insurance Services Limited (English company number 05681736) for that financial year;
- (iii) at least 25% of the NPAT of CBL Insurance Limited (New Zealand company number 27582) for that financial year (calculated on the basis which excludes any Distributions received or to be received by it on account of sub-paragraph (ii) above); and
- (iv) at least 50% of the NPAT of each other member of the Group for that financial year (in each case, calculated on the basis which excludes any Distributions received or to be received by that member of the Group on account of sub-paragraphs (i) to (iii) above),

subject to any applicable laws of New Zealand, the United Kingdom, the Republic of Ireland or other relevant jurisdictions and, at all times, subject to each Insurance Subsidiary maintaining a minimum solvency ratio of 100%.

- (e) The Issuer will charge each other member of the Group a management fee such that the aggregate fee is sufficient for the Issuer to comply with its interest payment obligations in respect of the Notes.
- (f) The Issuer:
  - (i) will ensure that, at all times, the consolidated total assets of the Issuer, the Guarantors and the Insurance Subsidiaries (taken as a whole) are at least 90% of the consolidated total assets of the Group taken as a whole; or
  - (ii) agrees to cause such of its Subsidiaries to become a Guarantor pursuant to the Note Trust Deed to ensure that, at all times, the consolidated total assets of the Issuer, the Guarantors and the Insurance Subsidiaries (taken as a whole) are at least 90% of the consolidated total assets of the Group taken as a whole.
- (g) The Issuer will ensure that all and any loan repayments received by CBL Insurance Limited (New Zealand company number 27582) in respect of the Alpha Holdings Loan will be applied (via intercompany loans or otherwise) to the full repayment of the Intercede Loan to Alpha Insurance A/S.

### **5.3 Other covenants**

- (a) The Issuer will (and will ensure that each member of the Group will) do everything necessary to maintain its corporate existence.
- (b) The Issuer will comply (and will ensure that each member of the Group complies) with all laws binding on it where a failure to comply would have a material adverse effect on the ability of the Issuer or a Guarantor (as the case may be) to comply with its obligations under the Notes or the Guarantee.
- (c) The Issuer will provide the following to the Note Trustee not later than 30 days after each applicable Test Date a certificate signed by either two directors or a director and the company secretary of the Issuer which certifies whether, in the opinion of the directors and/or the company secretary of the Issuer (as appropriate) and after having made all reasonable enquiries, the Issuer has complied with each of the covenants set out in Conditions 5.1 ("Group negative pledge"), 5.2 ("Financial covenants"), 5.3(a) and 5.3(b) above immediately following the relevant granting of a Security Interest, the incurring of new Financial Indebtedness, the making of a Distribution or Capital Reduction, the disposal of assets or material acquisition of a business on that Test Date (as the case may be). In the event the Issuer is not in compliance with any such

covenant, such certificate will give reasonable detail of such non-compliance (including any relevant figures and calculations) and the steps being taken to remedy the same.

- (d) At the request of the Note Trustee (acting either on its own discretion or upon receipt of a written request of a Noteholder) the Issuer will provide (at its own cost), any document or other information that the Note Trustee may reasonably request that is necessary or desirable to allow the Note Trustee or a Noteholder to determine whether or not the Issuer is in compliance with each of the covenants set out in Conditions 5.2 ("Financial covenants"), 5.3(a) and 5.3(b) above.

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## **6 Title and transfer of Notes**

### **6.1 Title**

Title to Notes passes when details of the transfer are entered in the Register.

### **6.2 Transfer**

Notes may only be transferred in accordance with these Conditions and the Note Trust Deed.

### **6.3 Transfers in whole**

Notes may only be transferred in whole and not in part.

### **6.4 Estates**

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

### **6.5 Unincorporated associations**

A transfer of a Note to an unincorporated association is not permitted.

### **6.6 Transfer of unidentified Notes**

Where the transferor executes a transfer of less than all Notes registered in its name, and the specific Notes to be transferred are not identified, the Registrar may register the transfer in respect of such of the Notes registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of all the Notes registered as having been transferred equals the aggregate principal amount of all the Notes expressed to be transferred in the transfer.

### **6.7 Compliance with law**

Notes may only be transferred if:

- (a) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the offeror or its associates to the offeree or its associates) or if the offer or invitation (including any resulting issue) otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act; and
- (b) the offer or invitation (including any resulting transfer) complies with all other applicable laws and directives in the jurisdiction in which the offer, invitation or issue takes place.

## **6.8 Restrictions on transfer**

- (a) Transfers of Notes which are not lodged in the Austraclear System cannot be made between a Record Date and the relevant following Payment Date if a redemption of such Note is to occur during, or at the end of, that period in accordance with these Conditions.
- (b) Transfers of Notes will not be registered later than the close of business in the place where the Register is maintained on the eighth day prior to the Maturity Date of the applicable Notes.

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## **7 Fixed Rate Notes**

*This Condition 7 applies to the Notes only if the Pricing Supplement states that it applies.*

### **7.1 Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date or, if redeemed earlier, the Optional Redemption Date, at the Interest Rate. Interest is payable in arrear on each Interest Payment Date or such other date on which a Note is redeemed.

### **7.2 Fixed Coupon Amount**

The amount of interest payable on each Note on each scheduled Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount unless interest is due on a date that is otherwise than a scheduled Interest Payment Date, in which case Condition 7.3 ("Calculation of interest payable") shall apply to calculate the amount of interest payable for that period.

### **7.3 Calculation of interest payable**

The amount of interest payable in respect of a Fixed Rate Note for any period which does not end on a scheduled Interest Payment Date shall be calculated by the Calculation Agent by multiplying the Interest Rate, the outstanding principal amount of the Fixed Rate Note and the applicable Day Count Fraction.

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## **8 Floating Rate Notes**

*This Condition 8 applies to the Notes only if the Pricing Supplement states that it applies.*

### **8.1 Interest on Floating Rate Notes**

Each Floating Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear on each Interest Payment Date.

### **8.2 Interest Rate determination**

The Interest Rate payable in respect of a Floating Rate Note must be determined by the Calculation Agent in accordance with these Conditions.

### **8.3 Fallback Interest Rate**

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 8.2 ("Interest

Rate determination"), the Interest Rate for the Interest Period is the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

#### **8.4 Bank Bill Rate Determination**

The Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the Bank Bill Rate.

In this Condition:

- (a) **Bank Bill Rate** means, for an Interest Period, the average mid rate for Bills having a tenor closest to the Interest Period as displayed at approximately 10:10am on the "BBSW" page (or any replacement page) of the Reuters Monitor System on the first day of that Interest Period.

However, if the average mid rate is not displayed by 10:30am on that day, or if it is displayed but the Issuer or the Calculation Agent determines that there is an obvious error in that rate, **Bank Bill Rate** means the rate determined by the Calculation Agent in good faith at approximately 10:30am on that day, having regard, to the extent possible, to the rates otherwise bid and offered for bank accepted Bills of that tenor at or around that time (including any displayed on the "BBSY" or "BBSW" page of the Reuters Monitor System). The rate must be expressed as a percentage per annum; and

- (b) **Bill** has the meaning given in the Bills of Exchange Act 1909 of Australia and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act.

#### **8.5 Interpolation**

- (a) If the Pricing Supplement states that "Linear Interpolation" applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of straight line interpolation by reference to two Bank Bill Rates or other floating rates specified in the Pricing Supplement.
- (b) The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).
- (c) The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

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### **9 General provisions applicable to interest**

#### **9.1 Calculation of Interest Rate and interest payable**

- (a) The Calculation Agent must, in relation to each Interest Period for each Floating Rate Note:
  - (i) calculate the Interest Rate in accordance with these Conditions and the Pricing Supplement; and
  - (ii) as soon as practicable after determining the Interest Rate, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of that Note.
- (b) Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the Note by the applicable Day Count Fraction.

- (c) The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

## **9.2 Calculation of other amounts**

If the Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the amount in the manner specified in the Pricing Supplement.

## **9.3 Notification of Interest Rate, interest payable and other items**

- (a) The Calculation Agent must notify the Issuer, the Registrar, the Noteholders, the Note Trustee and each other Agent of each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date.
- (b) The Calculation Agent must give notice under this Condition as soon as practicable after making its determination.
- (c) The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or Calculation Period without prior notice but must promptly notify the Issuer, the Registrar, the Noteholders, the Note Trustee and each other Agent of any such amendment.

## **9.4 Determination final**

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of fraud or manifest error, final and binding on the Issuer, the Guarantors, the Registrar, each Noteholder, the Note Trustee, the Security Trustee and each other Agent.

## **9.5 Rounding**

For the purposes of any calculations required under these Conditions (unless otherwise specified in the Pricing Supplement):

- (a) all percentages resulting from the calculations must be rounded to the nearest one hundred-thousandth of a percentage point (with 0.000005 % being rounded up to 0.00001 %);
- (b) all figures must be rounded to five decimal places (with halves being rounded up); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to one cent.

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# **10 Redemption**

## **10.1 Redemption on maturity**

The Issuer agrees to redeem each Note on its Maturity Date at its outstanding principal amount unless:

- (a) the Note has been previously redeemed; or
- (b) the Note has been purchased and cancelled.

## **10.2 Early redemption at the option of Noteholders (Noteholder put)**

Upon the occurrence of a Change of Control, each Noteholder will have the right to require the Issuer to redeem all or any part of such Notes at a redemption price equal to 101 % of the outstanding principal amount of each Note being redeemed (together with any accrued interest, if any, to the date of redemption) (the "**Change of Control Redemption Price**"). Within 30 days after a Change of Control, the Issuer shall deliver a notice to the Registrar and the Note Trustee and use its reasonable endeavours to ensure that the Note Trustee promptly notifies Noteholders stating that:

- (a) a Change of Control has occurred and that such Noteholder has the right to require the Issuer to redeem such Notes at the Change of Control Redemption Price;
- (b) the redemption date (which shall be no earlier than 30 days nor later than 50 days from the date of such notice is delivered); and
- (c) the procedures determined by the Issuer, consistent with terms and conditions of the Notes, that a Noteholder must follow in order to have its Notes redeemed.

In this Condition, "**Change of Control**" means, on any date, an event where a person (and its associates) or such persons acting together which held, whether directly or indirectly, 50% or less of the issued shares of the Issuer as at the Issue Date (and including a zero holding) subsequently holds, whether directly or indirectly, more than 50% of the issued shares of the Issuer on that date.

#### **10.3 Early redemption at the option of the Issuer (Issuer call)**

The Issuer may redeem all (but not some) of the Notes before their Maturity Date as follows:

- (a) on the First Optional Redemption Date by payment of 103% of the outstanding principal amount of each Note being redeemed; and
- (b) on the Second Optional Redemption Date by payment of 101.5% of the outstanding principal amount of each Note being redeemed,

in each case, together with any accrued interest, if any, to the date of redemption.

However, the Issuer may only do so if:

- (i) the amount of Notes to be redeemed is a whole multiple of their Denomination; and
- (ii) the Issuer has given at least 30 days (and not more than 60 days) notice to the Registrar, the Note Trustee, the Noteholders and each other Agent.

#### **10.4 Partial redemptions**

If only some of the Notes are to be redeemed, the Notes to be redeemed will be specified in the notice and selected:

- (a) in a fair and reasonable manner; and
- (b) in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the Notes are listed.

#### **10.5 Effect of notice of redemption**

Any notice of redemption given under this Condition 10 ("Redemption") is irrevocable.

## **10.6 Late payment**

If an amount payable is not paid under this Condition 10 ("Redemption") when due, then interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Noteholder.

## **10.7 Purchase**

The Issuer and any of its Related Bodies Corporate may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased under this Condition 10.7 may be held, resold or cancelled at the discretion of the purchaser and (if the Notes are to be cancelled, the Issuer), subject to compliance with any applicable law or directive.

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# **11 Payments**

## **11.1 Payments to Noteholders**

- (a) Payments of principal will be made to each person registered in the Register at 10.00 am on the applicable Payment Date as the holder of a Note; and
- (b) Payment of interest shall be made to each person registered in the Register at close of business on the applicable Record Date as the holder of a Note.

## **11.2 Payments to accounts**

Payments in respect of a Note will be made:

- (a) if the Note is held in the Austraclear System, by crediting on the Payment Date, the amount due to:
  - (i) the account of Austraclear (as the Noteholder) previously notified to the Issuer and the Registrar; or
  - (ii) if requested by Austraclear, the accounts of the persons in Australia in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded as previously notified by Austraclear to the Issuer and the Registrar in accordance with the Austraclear Regulations; and
- (b) if the Notes are not held in the Austraclear System, by crediting on the Payment Date, the amount then due under each Note to an account in Australia previously notified by the Noteholder to the Issuer and the Registrar.

If a payment in respect of the Note is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.

## **11.3 Payments by cheque**

If a Noteholder has not notified the Registrar of an account to which payments to it must be made by close of business on the Record Date or it has notified the Registrar that it wishes to be paid by cheque, payments in respect of the Note will be made by cheque sent by prepaid post on the Payment Date, at the risk of the registered Noteholder, to the Noteholder (or if two or more persons are entered in the Register as joint Noteholders, to the first named joint Noteholder of the Note) at its address appearing in the Register at close of business on the Record Date. Cheques sent to the nominated address of a Noteholder will be taken to have been received by the Noteholder on the Payment Date and no further amount will be payable

by the Issuer in respect of the Notes as a result of the Noteholder not receiving payment on the due date.

#### **11.4 Payments subject to law**

All payments are subject to applicable law but without prejudice to the provisions of Condition 12 ("Taxation").

#### **11.5 Payments on Business Days**

If a payment:

- (a) is due on a Note on a day which is not a Business Day then the due date for payment will be adjusted in accordance with the applicable Business Day Convention; or
- (b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and in either case, a Noteholder is not entitled to any additional payment in respect of that delay.

#### **11.6 Unsuccessful attempts to pay**

Subject to applicable law, where the Issuer:

- (a) decides that an amount is to be paid to a Noteholder by a method of direct credit and the Noteholder has not given a direction as to where amounts are to be paid by that method;
- (b) attempts to pay an amount to a Noteholder by direct credit, electronic transfer of funds, cheque or any other means and the transfer is unsuccessful;
- (c) has made reasonable efforts to locate a Noteholder but is unable to do so; or
- (d) has issued a cheque which has not been presented within six months of its date, then the Issuer may cancel such cheque and if the Issuer has so cancelled,

then, in each case and subject to Condition 13 ("Time limit for claims"), the amount is to be held by the Issuer for the Noteholder in a non-interest bearing deposit with a bank selected by the Issuer until the Noteholder or any legal personal representative of the Noteholder claims the amount or the amount is paid by the Issuer according to the legislation relating to unclaimed moneys.

#### **11.7 Payment to joint Noteholders**

A payment to any one of joint Noteholders will discharge the Issuer's liability in respect of the payment.

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### **12 Taxation**

#### **12.1 No set-off, counterclaim or deductions**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for, or on account of, any present or future Taxes imposed or levied by or on behalf of the Tax Jurisdiction or any Tax Authority therein or thereof having power to tax, unless such withholding or deduction is required by law.



## 12.2 Withholding tax

Subject to Condition 12.3 ("Withholding tax exemptions"), if a law requires the Issuer to withhold or deduct an amount for, or on account of, any present or future Taxes from a payment in respect of the Notes such that the Noteholder would not actually receive on the due date the full amount provided for under the Notes, then:

- (a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) if the amount deducted or withheld is in respect of Taxes imposed by a Tax Jurisdiction, the Issuer will pay such additional amounts ("**Additional Amounts**") so that, after making the deduction and further deductions applicable to additional amounts payable under this Condition 12.2, each Noteholder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

## 12.3 Withholding tax exemptions

No Additional Amounts are payable in relation to (i) any withholding or deduction for, or on account of, New Zealand resident withholding tax or (ii) any payments in respect of any Note:

- (a) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of such Note by reason of such Noteholder, or any beneficial owner of any interest in, or rights in respect of, such Note having some connection (whether recent or past) with the relevant Tax Jurisdiction or any political subdivision therein or thereof other than the mere holding of such Note or receipt of payment (whether in respect of principal, redemption amount, interest or otherwise) in respect thereof;
- (b) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of such Note by reason of such person being a beneficial owner of a Note jointly with one or more other persons one of whom is resident in New Zealand for income tax purposes;
- (c) to, or to a third party on behalf of, a Noteholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar cause for exemption to any tax authority in the place where payment under the Note is made;
- (d) presented for payment more than 30 days after the date on which payment became due and payable or the date on which thereof is duly provided for, whichever occurs later, except to the extent that a Noteholder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day; or
- (e) in such other circumstances as may be specified in the relevant Pricing Supplement.

References in this Condition 12.3 to (i) "principal" includes any premium payable in respect of the Notes (but excludes all amounts in the nature of principal payable pursuant to Condition 10 ("Redemption")) or any amendment or supplement to it, (ii) "interest" includes all amounts of interest and all other amounts payable pursuant to Conditions 7 ("Fixed Rate Notes") and 8 ("Floating Rate Notes") or any amendment or supplement to it and interest (as defined under New Zealand tax legislation) for withholding tax purposes, and (iii) "principal" and/or "interest" includes any additional amounts which may be payable under this Condition 12.3 or any undertaking given in addition to or substitution for it.

#### 12.4 New Zealand Non-Resident Withholding Tax

Under current New Zealand taxation law, the Issuer is required to deduct New Zealand non-resident withholding tax at the applicable rate in the case of any payments of interest (as defined under New Zealand tax legislation) to a holder of a Note who is not resident in New Zealand and not carrying on business through a fixed establishment in New Zealand ("**New Zealand Non-Resident Noteholder**"). The Issuer may, and intends to, relieve itself of such obligation by using a procedure which permits borrowers such as the Issuer to reduce the applicable rate of non-resident withholding tax to zero per cent. That procedure involves the Issuer paying on its own account an approved issuer levy to the New Zealand revenue authorities (which is currently equal to 2 per cent. of such payments of interest). However, the approved issuer levy regime will not apply where:

- (a) the New Zealand Non-Resident Noteholder is "associated" to the Issuer (as that term is defined in Section YA1 of the Income Tax Act 2007 of New Zealand); or
- (b) the New Zealand Non-Resident Noteholder derives interest (as defined under New Zealand tax legislation) under such Note jointly with one or more persons, and one or more of those persons is resident in New Zealand.

In the circumstances set out in paragraph (b), subject to any applicable double tax treaty, the New Zealand non-resident withholding tax imposed on the New Zealand Non-Resident Noteholder will equate to the applicable rate of New Zealand resident withholding tax.

#### 12.5 New Zealand Resident Withholding Tax

The Issuer is required by law to deduct New Zealand resident withholding tax from the payment of interest to a Noteholder, on any Interest Payment Date or the Maturity Date, if:

- (a) the Noteholder is a resident of New Zealand for income tax purposes or such Noteholder carries on business in New Zealand, through a fixed establishment in New Zealand (a "**New Zealand Noteholder**"); and
- (b) at the time of such payment the New Zealand Noteholder does not hold a valid RWT exemption certificate (as defined in the Income Tax Act 2007 of New Zealand) for New Zealand resident withholding tax purposes.

#### 12.6 New Zealand Holders

Prior to any Interest Payment Date or the Maturity Date, any New Zealand Noteholder:

- (a) must notify the Issuer and the Registrar (i) that the New Zealand Noteholder is the holder of a Note and (ii) whether it derives beneficially interest under a Note jointly with any other person;
- (b) should notify the Issuer and the Registrar of any circumstances, and provide the Issuer and the Registrar with any information, that may enable the Issuer to make the payment of interest to the New Zealand Noteholder without deduction on account of New Zealand resident withholding tax; and
- (c) upon reasonable request by the Issuer, provide the Issuer with such reasonable details as is required by the Issuer with respect to New Zealand non-resident withholding tax.

#### 12.7 Notes

The New Zealand Noteholder must notify the Issuer, prior to any Interest Payment Date or the Maturity Date, of any change in the New Zealand Noteholder's circumstances from those previously notified that could affect the Issuer's payment obligations in respect of any Note. By accepting payment of the full face amount of a Note (including a Note under which a person,

who is not a New Zealand Noteholder, derives beneficially interest jointly with one or more persons, and one or more of those persons is a New Zealand Noteholder) or any interest thereon on any Interest Payment Date or the Maturity Date, the New Zealand Noteholder indemnifies the Issuer for all purposes in respect of any liability the Issuer may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax or (in the case of a Note under which a person, who is not a New Zealand Noteholder, derives beneficially interest jointly with one or more persons, and one or more of those persons is a New Zealand Noteholder) New Zealand non-resident withholding tax.

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### 13 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless made within 10 years (in the case of principal) or 5 years (in the case of interest and other amounts) from the date on which payment first became due.

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### 14 Events of Default

#### 14.1 Events of Default

Each of the following is an Event of Default in respect of the Notes:

- (a) **(non-payment of principal)** the Issuer fails to pay any principal in respect of the Notes when due or, if the failure to pay on time is caused by an administrative or technical error beyond the control of the Issuer within 2 Business Days after the due date;
- (b) **(non-payment of interest)** the Issuer fails to pay any interest in respect of the Notes of the relevant series when due and the failure to pay continues for a period of 2 Business Days;
- (c) **(other non-compliance)** the Issuer:
  - (i) fails to comply with any of its obligations in connection with a Note (other than in relation to the payment of money referred to in paragraphs (a) and (b) above); and
  - (ii) if the non-compliance is capable of remedy, it is not remedied within 30 days after notice of such default shall have been given to the Issuer by the Note Trustee, the Security Trustee or any Noteholder;
- (d) **(cross default)** any Financial Indebtedness of the Issuer or a Guarantor or any of its other Subsidiaries (other than any intra-Group Financial Indebtedness) for amounts totalling more than A\$100,000 (or its equivalent in any other currency):
  - (i) is not satisfied on the later of its scheduled due date or the end of any applicable grace period; or
  - (ii) has become (or becomes capable of being declared) due and payable before its scheduled maturity by reasons of a default, event of default or potential event of default (howsoever described);
- (e) **(enforcement against assets)** if any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets or shares of the Issuer or a Guarantor without fair compensation, unless, such compulsory purchase or expropriation is being contested in good faith and by appropriate proceedings;
- (f) **(insolvency)** except for the purpose of a solvent reconstruction or amalgamation in respect of which the new entity assumes all of its obligations under the Note Trust

Deed and in respect of the Notes, the Issuer or a Guarantor (under any applicable law) declares or becomes bankrupt or insolvent, is unable to pay its debts when they fall due, or is presumed unable to or admits inability to pay its debts in accordance with section 287 of the Companies Act 1993 of New Zealand (or, in the case of a Guarantor incorporated in England and Wales, section 123 of the Insolvency Act 1986), or enters into dealings with any of its creditors with a view to avoiding, or in expectation of, insolvency, or makes a general assignment or an arrangement, compromise or composition with or for the benefit of any of its creditors, or stops or threatens to stop payments generally;

- (g) **(no arrangement with creditors)** the Issuer or any Guarantor makes a general assignment for the benefit of creditors, or any proceeding (which is not dismissed within 30 days) or any corporate action or step shall be instituted by or against the Issuer or a Guarantor seeking to adjudicate or declare it insolvent, or seeking liquidation, winding up, administration, reorganisation, arrangement, adjustment, protection, relief, or composition of it or its debts or moratorium in respect of its debts under any law relating to bankruptcy, insolvency or reorganisation or relief of debtors, seeking the entry of any order for relief or the appointment of a receiver, trustee, administrator or other similar official over the Issuer or Guarantor, its activities or any substantial part of its property;
- (h) **(statutory management)** a step is taken to appoint, or with a view to appointing, a statutory manager (including the making of a recommendation in that regard by the Financial Markets Authority of New Zealand under the Corporations (Investigation and Management) Act 1989 of New Zealand in respect of the Issuer or a Guarantor or any associated person (as that term is defined in that Act) of any of them are declared at risk pursuant to the provisions of that Act;
- (i) **(obligations unenforceable)** any Note or the Guarantee is or becomes (or is claimed to be by the Issuer, a Guarantor or anyone on their behalf) wholly or any part of a material provision of it void, voidable or unenforceable or any Note or the Guarantee ceases to wholly or in relation to any part of a material provision of it have full force and effect or the whole or any part of a material provision of it is declared by any court of competent jurisdiction to be void or unenforceable;
- (j) **(no litigation)** a judgement or award in an amount exceeding A\$250,000 (or its equivalent in any other currency) is obtained against the Issuer or a Guarantor or any of their assets and is not set aside or satisfied within 30 days unless the Issuer or the Guarantor is diligently and in good faith pursuing an appeal; and
- (k) **(cessation of business)** the Issuer or any Guarantor ceases to carry on business generally and no other body corporate assumes the business of that person.

#### 14.2 Consequences of an Event of Default

- (a) If an Event of Default occurs and continues unremedied in relation to the Notes, then a Noteholder or the Note Trustee (if requested in writing by a Noteholder) may declare by notice to the Issuer (with a copy to the Registrar and the Note Trustee (if notice is given by a Noteholder)) that each Note held by it is (or, if the Note Trustee has given the declaration, all Notes are) to be redeemed by the Issuer paying to the Noteholder the applicable redemption amount for the Note (together with any accrued interest) in which case those amounts become immediately due and payable.
- (b) If an Event of Default occurs, then interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the sum of the Interest Rate plus a default rate of 3.00% per annum until the date on which payment is made to the Noteholder.

### 14.3 Notification

If an Event of Default occurs, the Issuer must promptly (and in any event within 5 days) after becoming aware of it notify the Note Trustee, the Security Trustee, the Registrar and the Noteholders of the occurrence of the Event of Default (specifying details of it).

### 14.4 Enforcement

- (a) Subject to Condition 14.4(c), at any time after the occurrence of an Event of Default, the Note Trustee may, either at its discretion or pursuant to a direction of Noteholders in accordance with paragraph (c)(i) below and, in either case, without further notice, institute such proceedings and/or take such other action as it may think fit against or in relation to the Issuer to enforce the Issuer's obligations under the Notes. The Issuer shall, as a result of the bringing of any such proceedings, be obliged to pay any sums representing or measured by reference to principal or interest on the Notes sooner than the same would otherwise have been payable by it.
- (b) Without prejudice to Condition 14.4(a) but subject to Condition 14.4(c), if the Issuer breaches any of its obligations under the Note Trust Deed, the Note Trustee may, either at its discretion or pursuant to a direction of Noteholders in accordance with paragraph (c)(i) below and, in either case, without further notice, bring such proceedings as it may think fit to enforce such obligations.
- (c) Unless the Note Trustee, acting reasonably, forms the view that immediate steps must be taken to protect the Noteholders' interests or to enforce the Issuer's obligations under the Notes, it must not take any of the actions referred to in paragraphs (a) or (b) above to enforce the obligations of the Issuer in respect of the Notes or take any other enforcement action pursuant to or in connection with the Note Trust Deed or the Notes unless:
  - (i) it shall have been so requested in writing by Noteholders who hold in aggregate 25% or more of the outstanding principal amount of all Notes then outstanding; and
  - (ii) it shall have been indemnified to its satisfaction in accordance with the terms of the Note Trust Deed.

If, prior to acting on a direction received pursuant to paragraph (a), the Note Trustee receives further directions to take any action pursuant to this paragraph (c)(i) that are, in its reasonable opinion, materially inconsistent or conflicting in any material respect with the initial directions, the Note Trustee must call a meeting of Noteholders in accordance with the terms of these Conditions, the Note Trust Deed and the Meeting Provisions in order to resolve the inconsistency or conflict and shall act in accordance with any resolutions passed at that meeting or in accordance with any direction by Noteholders who hold in aggregate 50% or more of the outstanding principal amount of all Notes then outstanding.

- (d) No Noteholder is entitled to proceed directly against the Issuer to enforce any right or remedy under or in respect of any Note, the Note Trust Deed or the Security Trust Deed unless expressly entitled to do so under these Conditions, the Note Trust Deed, the Security Trust Deed or the Note Trustee or the Security Trustee, having become bound to proceed, fails to do so within five days from the date that the Note Trustee is notified by a Noteholder of the failure, and such failure is continuing.

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## 15 Agents

### 15.1 Role of Agents

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust with any Noteholder.

## **15.2 Appointment and replacement of Agents**

Each initial Agent for a series of Notes is specified in the Pricing Supplement. Subject to Condition 15.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

## **15.3 Change of Agent**

The Issuer (or the Agent on its behalf) must notify the Note Trustee and the Noteholders if there is any change in the identity of any Agent or any Agent's Specified Office.

## **15.4 Required Agents**

The Issuer must at all times maintain a Registrar, Issuing & Paying Agent and Calculation Agent.

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## **16 Meetings of Noteholders**

The Meeting Provisions contain provisions for convening meetings of the Noteholders of any series to consider any matter affecting their interests, including any variation of these Conditions.

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## **17 Variation**

### **17.1 Variation with consent**

Unless Condition 17.2 ("Variation without consent") applies, any Note may be varied by the Issuer and the Noteholders of the series in accordance with the Meeting Provisions.

### **17.2 Variation without consent**

Any Condition may be amended by the Issuer with the consent of the Note Trustee (not to be unreasonably withheld or delayed) but without the consent of the Noteholders if the amendment:

- (a) is of a formal, minor or technical nature;
- (b) is made to correct a manifest error; or
- (c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision,

provided that, in all cases, in the reasonable opinion of the Issuer and the Note Trustee, such amendment is not materially prejudicial to the interests of the Noteholders.

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## **18 Further issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same conditions as the Notes of any series in all respects (or in all respects except for the first payment of interest, if any, on them) so as to form a single series with the Notes of that series.

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## **19 Notices**

### **19.1 Notices to Noteholders**

All notices and other communications to Noteholders must be in writing and must be sent by prepaid post (airmail, if appropriate) to or left at the address of the Noteholder (as shown in the

Register at close of on the day which is 3 Business Days before the date of the notice or communication) and may also be given by an advertisement published in *The Australian Financial Review* or *The Australian*.

## **19.2 Notices to the Issuer, the Note Trustee, the Security Trustee and the Agents**

All notices and other communications to the Issuer, the Note Trustee, the Security Trustee or an Agent must be in writing and may sent by prepaid post (airmail, if appropriate) to or left at the Specified Office of the Issuer, the Note Trustee, the Security Trustee or the Agent.

## **19.3 Receipt - publication in newspaper**

If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers.

## **19.4 Deemed receipt - postal**

If sent by post, notices or other communications are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

## **19.5 Deemed receipt - general**

Despite Condition 19.4 ("Deemed receipt - postal"), if notices or other communications are received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day.

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## **20 Governing law**

### **20.1 Governing law**

These Conditions are governed by the law in force in New South Wales, Australia.

### **20.2 Jurisdiction**

The Issuer irrevocably and unconditionally submits and each Noteholder is taken to have submitted, to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to any actions or proceedings ("Proceedings") being brought in those courts including, without limitation, by claiming that the Proceedings have been brought in an inconvenient forum or that those courts do not have jurisdiction.

### **20.3 Serving documents**

Without preventing any other method of service, any document in any Proceedings (including, without limitation any writ of summons or other originating process or any third or other party notice) may be served on the Issuer by being delivered or left at the Specified Office of the Issuer or otherwise at the Issuer's registered office or principal place of business.

### **20.4 Agent for service of process**

The Issuer appoints Deposit Power Pty Ltd (ABN 49 160 226 442) of Level 10, 28 Margaret Street, Sydney NSW 2000, Australia as its agent to receive any document referred to in Condition 20.3 ("Serving documents"). If for any reason that person ceases to be able to act as such, the Issuer will immediately appoint another person with an office located in New South Wales to receive any such document and promptly notify the Registrar and the Noteholders of such appointment.

# Form of Pricing Supplement

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*The Pricing Supplement to be issued in respect of the Notes will be substantially in the form set out below.*

Series No.: [●]

Tranche No.: [●]



## CBL*insurance*

**CBL Corporation Limited**

*(incorporated with limited liability in New Zealand with company number 3888838)*  
("Issuer")

Issue of  
**A\$[●] [●]% [Fixed/Floating] Rate Notes due [●]**  
("Notes")

irrevocably and unconditionally guaranteed by certain subsidiaries of the Issuer  
("Guarantors")

The date of this Pricing Supplement is [●].

This Pricing Supplement (as referred to in the Information Memorandum dated [●] ("**Information Memorandum**")) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with (i) the terms and conditions of the Notes ("**Conditions**") contained in the Information Memorandum and (ii) the Note Trust Deed dated [●] and made by the Issuer and the Guarantors.

Unless otherwise indicated, terms defined in the Conditions have the same meaning when used in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone outside Australia or where such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement for issue to persons to whom disclosure would be required under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

- |   |            |   |
|---|------------|---|
| 1 | Issuer     | : CBL Corporation Limited (New Zealand company number 3888838)  |
| 2 | Guarantors | : LBC Holdings New Zealand Limited (New Zealand company number 4772359)<br>LBC Holdings Europe Limited (New Zealand company number 4774919) |



		LBC Holdings UK Limited (New Zealand company number 4774859)
		Intercede 2408 Limited (English company number 07550811)
		European Insurance Services Limited (English company number 05681736)
3	Type of Note	: [Fixed Rate Note / Floating Rate Note]
4	Lead Manager and Initial Subscriber	: FIIG Securities Limited (ABN 68 085 661 632)
5	Place of offering	: Inside Australia only
6	Registrar	: BTA Institutional Services Australia Limited (ABN 48 002 916 396)
7	Issuing & Paying Agent	: BTA Institutional Services Australia Limited (ABN 48 002 916 396)
8	Calculation Agent	: BTA Institutional Services Australia Limited (ABN 48 002 916 396)
9	Note Trustee	: BNY Trust Company of Australia Limited (ABN 49 050 294 052)
10	Security Trustee	: Permanent Custodians Limited (ABN 55 001 426 384)
11	Aggregate principal amount of Tranche	: A\$[●]
12	Issue Date	: [●]
13	Issue Price	: [●]%
14	Denomination	: A\$1,000
15	Minimum initial subscription parcel size	: A\$50,000, and in increments of A\$10,000 thereafter
16	Maturity Date	: [●] 2019
17	Record Date	: As per the Conditions
18	Condition 7 (Fixed Rate Notes) applies	: [Yes/No]
		<i>[If "No", delete the following Fixed Rate provisions]</i>
	Fixed Coupon Amount	: A\$[●] per A\$1,000 denomination, payable semi-annually in arrear

19	Interest Rate	: [●]% per annum.
		If, however, CBL Insurance Limited's A.M. Best Long-Term Issuer Credit Rating is downgraded to 'bb' or lower during any Interest Period, the Interest Rate applicable from the start of the immediately following Interest Period (the " <b>Interest Period (Step Up)</b> ") will be increased (for so long as that downgrade is continuing) by 1.00% per annum (" <b>Step Up</b> ").
		For the avoidance of doubt, if there is any subsequent upgrade to CBL Insurance Limited's A.M. Best Issuer Credit Rating to above 'bb', the Step Up will not apply from the start of any Interest Period following the Interest Period (Step Up).
	Interest Commencement Date	: Issue Date
	Interest Payment Dates	: [●] and [●] of each year, commencing on [●] up to, and including, the Maturity Date or, if redeemed earlier, an Optional Redemption Date
	Business Day Convention	: [Following Business Day Convention]
	Day Count Fraction	: [RBA Bond Basis]
	Condition 8 (Floating Rate Notes) applies	: [Yes/No]  <i>[If "No", delete the following Floating Rate provisions]</i>
	Interest Commencement Date	: Issue Date
	Interest Rate	: The aggregate of 90 day Bank Bill Rate and the Margin specified below, payable quarterly in arrear.
		If, however, CBL Insurance Limited's A.M. Best Long-Term Issuer Credit Rating is downgraded to 'bb' or lower during any Interest Period, the Interest Rate applicable from the start of the immediately following Interest Period (the " <b>Interest Period (Step Up)</b> ") will be increased (for so long as that downgrade is continuing) by 1.00% per annum (" <b>Step Up</b> ").
		For the avoidance of doubt, if there is any subsequent upgrade to CBL Insurance Limited's A.M. Best Issuer Credit Rating to above 'bb', the Step Up will not apply from the start of any Interest Period following the Interest Period (Step Up).
	Interest Payment Dates	: [●], [●], [●] and [●] of each year, commencing on [●] up to, and including, the Maturity Date or, if redeemed earlier, an Optional Redemption Date
	Business Day Convention	: [Modified Following Business Day Convention]
	Margin	: [ +/- ][●] % per annum
	Day Count Fraction	: [Actual/365 (Fixed)]
	Fallback Interest Rate	: [As per Condition 0]

	Interest Rate Determination	:	[Bank Bill Rate Determination]
	Bank Bill Rate	:	[As per Condition 8.4]
	Rounding	:	[As per Condition 9.5]
	Linear Interpolation	:	[Not applicable]
20	Noteholder put	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Noteholders on a Change of Control as set out in Condition 10.2 ("Early redemption at the option of Noteholders (Noteholder put)")
21	Issuer call	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 10.3 ("Early redemption at the option of the Issuer (Issuer call)") and:  First Optional Redemption Date means [●] 2017; and  Second Optional Redemption Date means [●] 2018.
22	Clearing system	:	Austraclear System
23	ISIN	:	[●]
24	Austraclear I.D.	:	[●]
25	Listing	:	Not applicable

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Date: [●]

**CONFIRMED**

For and on behalf of  
**CBL CORPORATION LIMITED**

By: .....

Name: .....

Title: .....

# Directory

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## **Issuer**

### **CBL Corporation Limited**

(New Zealand company number 3888638)

Tower 1, Level 8, Shortland Centre  
51 Shortland Street  
Auckland 1010  
New Zealand

Telephone: + 64 9 303 4770  
Facsimile: + 64 9 300 5046  
Attention: Chief Financial Officer

## **Lead Manager and Initial Subscriber**

### **FIIG Securities Limited**

(ABN 68 085 661 632 and AFSL No. 224659)

Level 8  
Emirates House  
167 Eagle Street  
Brisbane QLD 4000

Telephone: + 61 7 3231 6666  
Facsimile: + 61 7 3231 6699  
Attention: Legal and Compliance

## **Registrar, Issuing & Paying Agent and Calculation Agent**

### **BTA Institutional Services Australia Limited**

(ABN 48 002 916 396)

Level 2  
35 Clarence Street  
Sydney NSW 2000

Telephone: +61 2 9551 5000  
Facsimile: +61 2 9551 5009  
Attention: Global Client Services

**Note Trustee**

**BNY Trust Company of Australia Limited**

(ABN 49 050 294 052)

Level 2  
35 Clarence Street  
Sydney NSW 2000

Telephone: + 61 2 9551 5000  
Facsimile: + 61 2 9551 5009  
Attention: Global Client Services

**Security Trustee**

**Permanent Custodians Limited**

(ABN 55 001 426 384)

Level 2  
35 Clarence Street  
Sydney NSW 2000

Telephone: + 61 2 9551 5000  
Facsimile: + 61 2 9551 5009  
Attention: Global Client Services

# Note Trust Deed

Dated 15 April 2014

CBL Corporation Limited (New Zealand company number 3888838)  
("Issuer")

Each person listed in Schedule 2 (each an "Initial Guarantor", and together, the "Initial Guarantors")

BNY Trust Company of Australia Limited (ABN 49 050 294 052) ("Note  
Trustee")

# Note Trust Deed

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# Note Trust Deed

## Details

**Interpretation** – definitions are in Schedule 1

<b>Parties</b>	<b>Issuer, Initial Guarantors and Note Trustee</b>	
<b>Issuer</b>	<b>Name</b>	<b>CBL Corporation Limited</b>
	<b>Incorporated in</b>	Incorporated with limited liability in New Zealand with company number 3888838
	<b>Address</b>	Level 8 Tower One, Shortland Centre 51 Shortland Street Auckland 1010 New Zealand
	<b>Fax</b>	+ 64 9 300 5046
	<b>Telephone</b>	+ 64 9 303 4770
	<b>Attention</b>	Chief Financial Officer
<b>Initial Guarantors</b>	Each person listed in Schedule 2 ("Initial Guarantors").	
<b>Note Trustee</b>	<b>Name</b>	<b>BNY Trust Company of Australia Limited</b>
	<b>ABN</b>	49 050 294 052
	<b>Address</b>	Level 2 35 Clarence Street Sydney NSW 2000 Australia
	<b>Fax</b>	+ 61 2 9551 5009
	<b>Telephone</b>	+ 61 2 9551 5000
	<b>Attention</b>	Relationship Management Group
<b>Date of deed</b>	15 April 2014	

# Note Trust Deed

## General Conditions

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### 1 Benefit and burden of deed

#### 1.1 Noteholders bound

- (a) Each Noteholder (and any person claiming through or under a Noteholder) is bound by, and is taken to have notice of, the Conditions and this deed.
- (b) It is a fundamental condition of receiving any of the rights or benefits under a Note that a Noteholder must perform all of the obligations and comply with all restrictions and limitations applicable to it under this deed and the Conditions.

#### 1.2 Limit on Noteholders' rights

All of the rights against the Issuer in connection with the Notes or against a Guarantor in connection with the Guarantee are held by the Note Trustee for the Noteholders. Accordingly, subject to the Conditions and to clause 1.4 ("Noteholder's right to take action"):

- (a) no Noteholder is entitled to directly enforce any rights, powers or remedies in connection with the Notes (whether under this deed or otherwise) directly against the Issuer or a Guarantor; and
- (b) the rights, powers and remedies of the Note Trustee under and in respect of the Notes and this deed are exercisable and enforceable by the Note Trustee only. No Noteholder may exercise any of them (whether in its own name or the Note Trustee's name).

#### 1.3 Enforcement on direction

Subject to the Conditions and this deed, unless the Note Trustee, acting reasonably, forms the view that immediate steps must be taken to protect the Noteholders' interests or to enforce the Issuer's obligations under the Notes, it must not take Enforcement Action unless:

- (a) the Note Trustee is directed to take the relevant Enforcement Action in writing by Noteholders who hold in aggregate 25 per cent. or more of the outstanding principal amount of all Notes then outstanding;
- (b) the Note Trustee is indemnified to its satisfaction, including against:
  - (i) all actions, proceedings, claims and demands to which the Note Trustee may render itself liable by taking such action;
  - (ii) all Costs which the Note Trustee may incur in taking the action; and
  - (iii) all management time spent by employees or officers of the Note Trustee in relation to such action which will be charged at the Note Trustee's standard hourly rates prevailing from time to time

provided that such rates have been notified to the Issuer in writing; and

- (c) the action is otherwise permitted under the Conditions and this deed.

If, prior to acting on a direction or request received pursuant to paragraph (a), the Note Trustee receives further directions to take Enforcement Action pursuant to paragraph (a) that are, in its reasonable opinion, materially inconsistent or conflicting in any material respect with the initial directions or request, the Note Trustee must call a meeting of Noteholders in accordance with the Conditions, this deed and the Meeting Provisions in order to resolve the inconsistency or conflict and shall act in accordance with any Noteholder Resolutions passed at that meeting or in accordance with any direction by Noteholders who hold in aggregate 50 per cent. or more of the outstanding principal amount of all Notes then outstanding.

#### **1.4 Noteholder's right to take action**

No Noteholder is entitled to proceed directly against the Issuer or a Guarantor to enforce any right or remedy under or in respect of any Note or the Guarantee unless expressly entitled to do so under the Conditions, this deed, the terms of the Guarantee or, the Note Trustee, having become bound to proceed, fails to do so within five days from the date that the Note Trustee is notified by a Noteholder of the failure, and such failure is continuing.

#### **1.5 Unpaid monies**

- (a) If Condition 11.6 ("Unsuccessful attempts to pay") applies and the Note Trustee has actual possession and control of such moneys, then such monies must be paid by the Note Trustee to the Issuer to be held in accordance with Condition 11.6.
- (b) The Note Trustee may rely on an Officer's Certificate to the effect that the matters set out in Condition 11.6 are satisfied. The Note Trustee is not liable to any Noteholder for any moneys paid to the Issuer under this clause 1.5. The Issuer indemnifies (failing whom the Guarantors jointly and severally indemnify) the Note Trustee from any and all costs, losses, liabilities, expenses, demands or claims suffered or properly incurred by the Note Trustee in respect of any moneys paid to the Issuer under this clause 1.5.

---

## **2 Note Trust Deed**

### **2.1 Note Trust Deed**

This deed is the trust deed for the Note Trust.

### **2.2 Constitution and status**

The Notes are unconditional debt obligations of the Issuer constituted by, and owing under, this deed and issued on the Conditions. The obligations of the Issuer in respect of each Note:

- (a) constitute separate and independent acknowledgments of the indebtedness of the Issuer;
- (b) are subject to this deed and the Conditions;
- (c) are direct, secured, unconditional and unsubordinated; and

- (d) rank equally and without any preference amongst themselves as described in the Conditions.

## **2.3 Undertaking to pay and perform obligations**

- (a) In respect of each Note, the Issuer undertakes to the Note Trustee (on behalf of the relevant Noteholder) and to each Noteholder, to pay the amounts due and payable in respect of that Note under and in accordance with the Conditions and this deed and to duly and punctually observe, fulfil, perform and comply with all the covenants and obligations imposed upon it by or under the Notes and this deed.
- (b) Subject to clause 5.4 ("Distribution of recovered money under Security Trust Deed") of this deed and any provision of a Security which requires amounts to be paid through the Security Trustee, the Note Trustee directs the Issuer to pay, and the Issuer must pay, such amounts under this deed directly to the Noteholders, unless:
  - (i) a Controller (as defined in the Corporations Act) has been appointed to the Issuer;
  - (ii) the Issuer is directed by the Note Trustee to make the payments to the Note Trustee by the giving of notice to that effect not less than five Business Days before the scheduled date for the making of the payment; or
  - (iii) the Issuer advises the Note Trustee that it is not likely to meet its obligations under this deed,

in which event the payment must be made to the Note Trustee unless the Note Trustee has determined that it remains possible for the Issuer to pay directly to the Noteholders and there is no detriment to the Issuer so paying directly to the Noteholders, in which case the Note Trustee may direct the Issuer to pay, and, if so directed, the Issuer must pay such amounts under this deed directly to the Noteholders.

- (c) The payment of an amount due under a Note to either the Noteholder or the Note Trustee discharges the obligation of the Issuer to pay that amount under that Note to each of the Noteholder and the Trustee.
- (d) Subject to clause 3.9 ("Receipt of moneys"), the Note Trustee must pay any amounts received from the Issuer to the Noteholders in accordance with the terms of this deed and the Conditions.

## **2.4 Guarantee**

- (a) The Notes are issued with the benefit of the unconditional and irrevocable guarantee of the Guarantors under the terms of the Guarantee.
- (b) A company becomes a Guarantor under this deed (after the date of this deed) by:
  - (i) signing and delivering to the Issuer and the Note Trustee a New Guarantor Deed Poll;
  - (ii) giving the Note Trustee any document or other information that the Note Trustee reasonably requests to enable the Note Trustee to carry out any know your customer checks; and

- (iii) doing any other thing necessary to ensure the enforceability of that person's obligations as a Guarantor.
- (c) If a Guarantor accedes to this deed pursuant to paragraph (b), the Notes will have the benefit of the unconditional and irrevocable guarantee of the Guarantor under the terms of the Guarantee.
- (d) The total amounts recoverable from European Insurance Services Limited (United Kingdom company number 05681736) (for so long as it remains authorised under Part 4A of the Financial Services and Markets Act 2000) under this clause 2.4 ("Guarantee") shall be limited to the amount which European Insurance Services Limited is able to pay without breaching the relevant prudential rules of the Financial Conduct Authority.

---

### **3 Declaration of trust**

#### **3.1 Note Trustee**

The Note Trustee is appointed by the Issuer and agrees to act as the trustee of the Note Trust established under this deed with effect from the date of this deed.

#### **3.2 Constitution of Note Trust**

The Note Trust is constituted on the execution of this deed by the Issuer and the Note Trustee.

#### **3.3 Declaration of Note Trust**

The Note Trustee declares that, on execution of this deed, it holds the sum of A\$10, and that it will hold the Note Trust Fund, on trust at any time for the benefit of itself and the Noteholders from time to time on the terms of this deed.

#### **3.4 Name of Note Trust**

The trust established under this deed will be known as the "CBL Corporation Note Trust".

#### **3.5 Commencement and termination of Note Trust**

The Note Trust commences on the date of this deed and unless determined earlier ends on the earlier of:

- (a) the day occurring immediately before the 80th anniversary of the date of this deed; or
- (b) the day on which this deed is terminated under clause 18.1 ("Discharge and release").

#### **3.6 Perpetuity period**

The perpetuity period applicable to the Note Trust is the period of 80 years commencing on the date of this deed.

#### **3.7 Beneficiaries**

Subject to the rights of the Note Trustee, the Noteholders are the persons beneficially entitled to the Note Trust Fund from time to time on the terms of this deed. They hold that beneficial entitlement as equitable tenants in common,

provided that joint Noteholders of a Note shall hold as between themselves and the Issuer as joint tenants.

### **3.8 Safe custody of this deed**

The Note Trustee will hold its counterparts of this deed in safe custody for itself and the Noteholders.

### **3.9 Receipt of moneys**

All money received by the Note Trustee in respect of amounts payable under this deed must be held by the Note Trustee on trust to be applied in the following order:

- (a) first, in payment of all Costs incurred by or other amounts owing to, the Note Trustee under or in connection with this deed (including all remuneration payable to the Note Trustee and any amount payable under clause 7.1 ("Indemnity")) and the Conditions;
- (b) secondly, in or towards payment equally and rateably of all amounts due but remaining unpaid in respect of the Notes; and
- (c) thirdly, in payment of the balance (if any) to the Issuer.

---

## **4 General powers, rights and responsibilities**

### **4.1 Extent of obligations**

The Note Trustee has no obligations except those expressly set out in the Conditions and this deed.

### **4.2 Excluded roles and duties**

The appointment as trustee does not mean that the Note Trustee:

- (a) is a trustee for the benefit of;
- (b) is a partner of; or
- (c) has a fiduciary duty to, or other fiduciary relationship with,

any Noteholder, the Issuer or any other person, except as provided in the Conditions and this deed.

### **4.3 Binding nature of relationship**

Each Noteholder is bound by anything properly done or not done by the Note Trustee in accordance with the Conditions and this deed, whether or not on instructions, and whether or not the Noteholder gave an instruction or approved of the thing done or not done.

### **4.4 Note Trustee's duties to Noteholders**

The Note Trustee agrees to exercise its rights and comply with its obligation under the Conditions and this deed, in each case having regard to:

- (a) the interests of the Noteholders as a whole, subject to the Note Trustee's obligations in connection with, or to give effect to, any instruction



received from the Noteholders pursuant to clause 4.14 ("After receiving instructions from the Noteholders"); and

- (b) its fiduciary obligations as trustee of the Note Trust.

#### 4.5 Exercise of rights and compliance with obligations

- (a) **(Powers of a natural person)** The Note Trustee has all the powers of a natural person or corporation in connection with the exercise of its rights and compliance with its obligations under the Conditions and this deed.
- (b) **(Exercise of powers)** The Note Trustee may exercise its rights and comply with its obligations under the Conditions and this deed in any manner it thinks fit.
- (c) **(Waiver)** The Note Trustee may waive in writing, at any time and on any conditions, any breach by the Issuer under this deed or the Conditions, provided that where a breach is the failure of the Issuer to pay interest on, or to Redeem or repay, any Notes under the Conditions. The Note Trustee may waive the breach only if:
  - (i) the Noteholders have by a Noteholder Resolution consented in writing to the waiver; or
  - (ii) the breach has been remedied.
- (d) **(Dealings with the Issuer)** The Note Trustee and its Related Bodies Corporate may, without being liable to account to the Issuer, or any Noteholder:
  - (i) hold, in any capacity, Notes, shares or any other marketable securities issued by the Issuer;
  - (ii) in any capacity, represent or act for, or contract with, individual Noteholders;
  - (iii) deal in any capacity with the Issuer, or any of their Subsidiaries or associates; or
  - (iv) act in any capacity in relation to any other trusts.
- (e) **(Note Trustee as Noteholder)** If the Note Trustee is, or becomes, a Noteholder, it has the same rights and powers under the Notes and this deed, in its capacity as a Noteholder, as any other Noteholder. It may exercise those rights and powers as if it were not acting as Note Trustee.

#### 4.6 Note Trustee's undertakings

The Note Trustee must:

- (a) act honestly and in good faith and comply with all laws in performing its duties and in the exercise of its discretions under this deed;
- (b) keep accounting records which correctly record and explain all amounts actually paid and/or received by the Note Trustee in its capacity as trustee under this deed; and
- (c) keep the assets of the Note Trust separate from all other assets of the Note Trustee which are held in a capacity other than trustee under this deed.

#### 4.7 Authority

Each Noteholder is taken to have:

- (a) irrevocably agreed to the appointment of the Note Trustee as trustee of the Note Trust to undertake the duties set out in the Conditions and this deed in its capacity as trustee of the Note Trust;
- (b) irrevocably authorised the Note Trustee to enter into, execute and deliver this deed in its capacity as trustee of the Note Trust;
- (c) irrevocably authorised the Note Trustee in its capacity as trustee of the Note Trust to exercise the powers expressly vested in it under the Conditions and this deed, together with all other powers reasonably incidental to those powers;
- (d) irrevocably authorised the Note Trustee to execute and deliver on its behalf any transfer forms or other documents;
- (e) acknowledged that any action by the Note Trustee in accordance with the Conditions or this deed in its capacity as trustee of the Note Trust binds the Noteholders; and
- (f) acknowledged that the Note Trustee has not made any representation or given any warranty upon which the Noteholder has relied, except to the extent expressly set out in the Conditions or this deed. Without limitation, each Noteholder is taken to have acknowledged that its decision to acquire any Note and the terms upon which it made the acquisition was made without reliance on any statement, opinion, forecast or other representation (including a representation by omission) by the Note Trustee.

#### 4.8 Additional powers

The Note Trustee, subject to the Conditions and this deed:

- (a) may at any time convene a meeting of the Noteholders for any purpose, or otherwise seek from the Noteholders a direction or instruction (in the form of a Noteholder Resolution or Special Resolution (as applicable) or otherwise) in relation to any matter it thinks appropriate;
- (b) may give any consent or waiver or do any other matter or thing necessary or appropriate in connection with or to give effect to a Noteholder Resolution or Special Resolution, or the exercise of its powers or performance of its duties under or in respect of the Conditions or this deed; and
- (c) may employ (as agent or otherwise) such persons (if any) as may be necessary for it to carry out its obligations under the Conditions or this deed.

#### 4.9 Calculations binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Note Trustee in accordance with the Conditions or this deed, are (in the absence of fraud, gross negligence or wilful misconduct or if there is manifest error on the face of the relevant information of which the Note Trustee is aware) *prima facie* evidence of the matters referred to in them in respect of the Notes.

#### **4.10 Documents to be made available**

Subject to clause 17 ("Confidentiality") and at the cost of the relevant Noteholders, the Note Trustee will make available to the Noteholders copies of any documents that have been provided to the Note Trustee in connection with the Notes, within a reasonable time following receipt of a request for such information from a Noteholder and in any event within 2 Business Days of receipt of such a request.

#### **4.11 Notify Event of Default**

If the Note Trustee is given a notice pursuant to Condition 14.3 ("Notification"), the Note Trustee must notify the Noteholders and the Security Trustee of that fact and (to the extent that the relevant information is provided to the Note Trustee) giving details of the relevant Event of Default.

#### **4.12 Independent investigation of credit**

Each Noteholder is taken to have acknowledged that it has made and will continue to make, independently and without reliance on the Note Trustee and based on the documents, agreements and information which it regards as appropriate:

- (a) its own investigations into the affairs of the Issuer and any other parties it considers relevant; and
- (b) its own analysis and decisions whether to take or not take action under the Conditions or this deed.

#### **4.13 Note Trustee not liable for documents**

- (a) Each Noteholder acknowledges that the Note Trustee has not negotiated, and is not under any obligation to negotiate, the Conditions or this deed on behalf of, or in the best interests, of any Noteholder.
- (b) Without limiting clause 8 ("Note Trustee's limitation of liability"), the Note Trustee will have no liability arising in connection with any inadequacy, invalidity or unenforceability of any provision of this deed or the Notes except to the extent that the relevant inadequacy, invalidity or unenforceability arises as a result of any act or omission of the Note Trustee which is a Note Trustee Default.

#### **4.14 After receiving instructions from the Noteholders**

- (a) Except as expressly provided in the Conditions or this deed:
  - (i) the Note Trustee need not exercise any of its rights under the Conditions or this deed, and shall not be bound to vote under the Security Trust Deed or otherwise direct the Security Trustee, without receiving specific instructions from the Noteholders; and
  - (ii) the Noteholders may not instruct the Note Trustee:
    - (A) subject to clause 4.14(b), how to exercise any of its rights or comply with any of its obligations under the Conditions or this deed; or
    - (B) to do anything that would breach any applicable law or the terms of the Conditions or this deed.

- (b) If the Note Trustee receives an instruction from the Noteholders, the Note Trustee agrees, subject to clause 8 ("Note Trustee's limitation of liability"), to follow that instruction, but only to the extent that:
  - (i) a Noteholder Resolution or Special Resolution (as applicable and as required under and in accordance with this deed) has been passed in accordance with the Meeting Provisions;
  - (ii) the instructions are in accordance with the Conditions or this deed; and
  - (iii) do not require the Note Trustee to take any action or not take any action that would breach any applicable law or the terms of the Conditions or this deed.

#### **4.15 Instructions from Noteholders**

Except as expressly provided in the Conditions or the Meeting Provisions in relation to all matters affecting the Notes, the Noteholders may instruct the Note Trustee by Noteholder Resolution.

#### **4.16 Note Trustee's rights in connection with resolutions**

Subject to this clause 4 ("General powers, rights and responsibilities"), the Note Trustee may do anything it considers necessary or desirable to give effect to any resolution passed by way of a Noteholder Resolution or Special Resolution (as applicable) (including signing and delivering documents and performing the terms of those documents).

#### **4.17 No monitoring or verification**

The Note Trustee is not required to:

- (a) keep itself informed as to the performance or observance by the Issuer or any Guarantor of its obligations under the Conditions or this deed or any other document or agreement to which any one or more of them is a party;
- (b) inspect the properties or books of the Issuer or any Guarantor or to assess or keep under review the business, operations, financial condition, creditworthiness or status of the affairs of the Issuer nor of any Guarantor;
- (c) review or check the accuracy or completeness of any report, notice or other document it forwards to any Noteholder or other person;
- (d) (except for any notices, reports, accounts or other documents or information which the Note Trustee is expressly required to make available under the Conditions or this deed) provide any Noteholder with any credit or other information concerning the assets, liabilities, financial condition or business of the Issuer or any Guarantor nor any of their respective Subsidiaries which may come into the possession of the Note Trustee; or
- (e) notwithstanding the terms of the Conditions or this deed, disclose any information relating to any person if the disclosure would or might, in the reasonable opinion of the Note Trustee, constitute a breach of any law or duty of secrecy or confidence.

#### **4.18 Issuer to provide information**

The Issuer agrees to promptly provide the Note Trustee with such information that is necessary for the Note Trustee to perform its obligations in respect of the Conditions or this deed, as the Note Trustee may from time to time reasonably request, except for such information the disclosure of which would contravene any applicable law, regulation, court order or requirement or determination of any Government Agency or which would render the Issuer in breach of any duty of, or undertaking as to, confidentiality in respect of the relevant information.

#### **4.19 Agents to act for Note Trustee**

At any time after an Event of Default has occurred, the Note Trustee may, subject to the Security Trust Deed:

- (a) by notice in writing to each Agent, require each Agent thereafter as far as permitted by any applicable law and until notified by the Note Trustee to the contrary:
  - (i) to act as an agent of the Note Trustee under this deed and the Notes on the terms of this deed (with consequential amendments as necessary and except that the Note Trustee's liability for the indemnification, remuneration and expenses of the Agents will be limited to the amounts for the time being held by the Note Trustee in respect of the Notes on the terms of this deed) and thereafter to hold all Notes and all moneys, documents and records held by them in respect of Notes to the order of the Note Trustee; or
  - (ii) to deliver all Notes and all moneys, documents and records held by it in respect of the Notes to the Note Trustee or as the Note Trustee directs in such notice other than any documents or records which the relevant Agent is obliged not to release by any law or regulation; and
- (b) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Notes to or to the order of the Note Trustee and not to the Issuing and Paying Agent.

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### **5 Security Trust Deed**

#### **5.1 Calculation of Exposures under Security Trust Deed**

- (a) If requested by the Security Trustee for the purposes of the Security Trust Deed, the Note Trustee will calculate (with, if necessary, the assistance of the Calculation Agent and the Issuer), where relevant, the total Exposure of the Noteholders and each Noteholder's individual Exposure, including interest outstanding and the principal outstanding of each Note at that time (or in the aggregate, (as applicable)), and advise the Security Trustee of its calculation.
- (b) The Issuer agrees to promptly assist the Note Trustee upon request in respect of the Note Trustee's obligations described in paragraph (a) and the Note Trustee may rely upon any information provided by the Issuer on this basis without making any further enquiry.

#### **5.2 Action in relation to the Security Trust Deed**

- (a) Subject to paragraph (b), paragraph (c) and clause 16 ("Alteration"), promptly upon receipt by the Note Trustee from the Security Trustee of a

request for instructions for the taking of any action by the Security Trustee which requires a direction, approval, consent or determination of all "Beneficiaries" (as defined in the Security Trust Deed) or any class of such Beneficiaries, the Note Trustee must, unless it has exercised the discretion vested in it under clause 16 ("Alteration"):

- (i) promptly notify each Noteholder and seek directions or instructions from each Noteholder (whether by way of convening a meeting of all holders in accordance with the Meeting Provisions or otherwise) for the purpose of ascertaining whether the Noteholder directs or instructs (or votes) in favour or against the taking of such action. If a meeting of "Beneficiaries" (as defined in the Security Trust Deed) is to be held under the Security Trust Deed, promptly convene a meeting of the Noteholders to seek directions from the Noteholders as to how to vote at that meeting and instruct the Security Trustee to delay the holding of that meeting whilst it obtains such directions from the Noteholders;
  - (ii) calculate (with, if necessary, the assistance of the Calculation Agent and the Issuer), as relevant, the aggregate Exposure of Noteholders directing in favour of and against any approval, consent, determination or direction in question provided that, for these purposes, where the Note Trustee has received a direction under Condition 12.4(c) ("Enforcement") , all Noteholders will be deemed to have provided the relevant direction;
  - (iii) notify the Security Trustee for such purposes in accordance with those directions sought under sub-paragraph (i) above in the manner provided in the Security Trust Deed by way of notifying the Security Trustee of the aggregate Exposure of Noteholders directing in favour of and against the approval, consent, determination or direction in question; and
  - (iv) subject to the Security Trust Deed and this deed, take any other action required to be taken by it in accordance with the direction of the Noteholders (in the form of a Noteholder Resolution, a Special Resolution or a Special Resolution requiring a Special Quorum (as applicable) or otherwise in accordance with the Transaction Documents).
- (b) Each Noteholder is taken to have acknowledged that the Note Trustee does not have the power or authority or any obligation to take any action of the type described in paragraph (a) except as permitted by and in accordance with the Security Trust Deed or this deed.
- (c) No Noteholder is entitled to proceed directly against the Issuer to enforce any right or remedy under or in respect of this deed, the Security Trust Deed or any Note unless expressly entitled to do so under the Conditions, this deed or the Security Trust Deed, the Note Trustee or the Security Trustee, having become bound to proceed, fails to do so within 5 days from the date that the Note Trustee is notified by a Noteholder of the failure, and such failure is continuing.
- (d) For the purpose of any meeting of "Beneficiaries" (as defined in the Security Trust Deed) or taking the directions of or consulting with or obtaining the consent of such Beneficiaries under or in accordance with the Security Trust Deed, the Note Trustee will act on the directions of the Noteholders (obtained at a meeting of Noteholders or otherwise in accordance with this deed or under the Conditions) (whether or not all Noteholders have provided such directions). In acting in accordance with the directions of the Noteholders, the Note Trustee will be regarded as a

representative holding all of the Notes and represent all Noteholders and no Noteholder is entitled to be separately represented (including by itself) unless the Note Trustee, having become bound to proceed, fails to do so within a reasonable period and such failure is continuing.

### **5.3 Noteholders bound**

- (a) Each Noteholder is bound by the terms of actions taken or omitted to be taken by the Note Trustee in accordance with the Security Trust Deed and this deed.
- (b) Each Noteholder is bound by the terms of actions taken or omitted to be taken by the Security Trustee in accordance with the Security Trust Deed and this deed.
- (c) Each Noteholder is bound by the terms of actions taken or omitted to be taken at the direction of the "Beneficiaries" (as defined in the Security Trust Deed) or the requisite class of such Beneficiaries under the Security Trust Deed.

### **5.4 Distribution of recovered money under Security Trust Deed**

In circumstances where amounts are available for distribution by the Security Trustee in accordance with clause 9.1 ("Distribution by Security Trustee") of the Security Trust Deed, all payments of principal or interest or other sum due in respect of the Notes to be made from such amount must be made to the order of the Note Trustee (and not to any Noteholder or any Agent) for application in accordance with clause 3.9 ("Receipt of moneys").

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## **6 Delegation and reliance on advice**

### **6.1 Power to delegate**

The Note Trustee may employ agents, contractors and attorneys and may delegate any of its rights, powers, authorities or discretions conferred on it under this deed without notifying any person of the employment or delegation. The Note Trustee is, and at all times remains, liable for:

- (a) the payment of the remuneration, costs and expenses of that agent, contractor, attorney or delegate (provided that nothing in this clause 6.1(a) limits the Note Trustee's right of indemnity under clause 7.1 ("Indemnity"));
- (b) any acts or omissions of any person who is a Related Body Corporate of the Note Trustee which it employs or who acts as its agent contractor, attorney or delegate under this clause 6.1 but only to the extent that the Note Trustee would be liable under clause 8.1 ("Limitation of liability"); and
- (c) any acts or omissions of any person (other than a Related Body Corporate of the Note Trustee) which it employs or who acts as its agent, contractor, attorney or delegate under this clause 6.1 but only if the Note Trustee has not acted with all due care in the appointment of such person.

Other than as set out in paragraphs (a), (b) and (c) above, the Note Trustee is not liable to the Issuer or any Noteholders for any act or omission of any of its agents, contractors, attorneys and delegates.

## **6.2 Note Trustee may rely on communications and opinions**

In relation to any exercise of its rights or powers under the Notes of this deed, the Note Trustee may rely:

- (a) on any communication or document it has had no reasonable grounds to believe is not genuine and correct and to have been signed or sent by the appropriate person; and
- (b) as to legal, accounting, taxation or other professional matters, on opinions and statements received by it from any legal, accounting, taxation or professional advisers engaged or appointed by it, provided that it reasonably believes the adviser engaged or appointed by it is fit, proper and appropriate,

and the Note Trustee need not:

- (c) call for further evidence other than a certificate, statement, report, balance sheet or account; or
- (d) enquire as to the accuracy of such a document,

(unless there is manifest error on the face of the document of which the Note Trustee is aware) and the Note Trustee will not be responsible for any loss, damage, cost, expense or liability that may be occasioned by relying on such a document.

## **6.3 Dispute or ambiguity**

- (a) If there is any dispute or ambiguity in relation to any matter connected with the Transaction Documents, the Note Trustee may (but need not) do one or both of the following:
  - (i) obtain and rely on advice from any adviser referred to in clause 6.2(b) ("Note Trustee may rely on communications and opinions"); or
  - (ii) apply to a court for any direction or order the Note Trustee considers appropriate and comply with any such directions or orders.
- (b) As long as the Note Trustee is using reasonable endeavours to resolve any dispute or ambiguity, the Note Trustee may (but need not) refuse to do anything in relation to matters affected by the dispute or ambiguity and will not be liable to the Noteholders for so refusing to act.
- (c) Notwithstanding the foregoing, the Note Trustee will not be required to act to resolve any dispute or ambiguity and will not be liable to the Noteholders for so refusing to act if it has not been put into funds to enable it to take either of the actions in accordance with (a)(i) or (a)(ii) of this clause 6.3.

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## **7 Note Trustee indemnity**

### **7.1 Indemnity**

The Issuer indemnifies (failing whom the Guarantors jointly and severally indemnify) the Note Trustee, its officers, directors and employees (together included in the defined term "Note Trustee" for the purposes of this clause 7.1) on demand in respect of all costs, losses, liabilities, expenses, demands, actions or



claims (including, but not limited to, all costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) suffered or properly incurred by the Note Trustee, or any of its delegates, agents, contractors and attorneys, in the execution of the Note Trust or any of the powers, authorities or discretions vested in the Note Trustee under the Notes or this deed, but this indemnity does not extend to:

- (a) any such costs, losses, liabilities, expenses, demands or claims to the extent arising out of a Note Trustee Default;
- (b) any Taxes (excluding any Indirect Tax) imposed on the Note Trustee's remuneration for its services as Note Trustee; or
- (c) any remuneration which the Note Trustee has agreed to pay to any of its officers, directors, employees, delegates, agents, contractors and attorneys (excluding any delegate, agent, contractor or attorney appointed by the Note Trustee at the direction of the Issuer or Noteholders or with the prior consent of the Issuer or the Noteholders, in each case in accordance with this deed).

## **7.2 Indemnity additional**

Any indemnity to which the Note Trustee is entitled under this deed is in addition to, and without prejudice to, any indemnity allowed by law or equity to the Note Trustee.

## **7.3 No obligation to act**

The Note Trustee is not obliged to carry out any act or refrain from doing any act (including entering into any transaction or incurring any liability) under the Notes or this deed unless its liability is limited in a manner consistent with clause 8.1 ("Limitation of liability") and until such time as it is placed in funds or is otherwise indemnified to its reasonable satisfaction against any expense or liability which it may incur as a result of doing so.

## **7.4 Survival**

The provisions of this clause 7 ("Note Trustee indemnity") shall survive the termination of the Notes and this deed and where the Note Trustee ceases for any reason to be trustee of the Note Trust.

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# **8 Note Trustee's limitation of liability**

## **8.1 Limitation of liability**

- (a) This limitation of the Note Trustee's liability applies despite any other provisions of the Conditions or this deed and extends to all Obligations of the Note Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Conditions or this deed and to the extent of any inconsistency between the operation of this clause 8.1 and any other provision of the Conditions or this deed, the terms of this clause 8.1 will prevail.
- (b) The Note Trustee enters into this deed as trustee of the Note Trust and in no other capacity.
- (c) The parties other than the Note Trustee acknowledge that the Note Trustee incurs the Obligations solely in its capacity as trustee of the Note Trust and that the Note Trustee will cease to have any obligation under

the Conditions or this deed if the Note Trustee ceases for any reason to be trustee of the Trust.

- (d) Except in the case of and to the extent of fraud, gross negligence or wilful misconduct on the part of the Note Trustee, the Note Trustee will not be liable to pay or satisfy any Obligations except out of the Note Trust Fund against which it is actually indemnified in respect of any liability incurred by it as trustee of the Note Trust.
- (e) Except in the case of and to the extent of fraud, negligence or wilful misconduct on the part of the Note Trustee, the parties other than the Note Trustee may enforce their rights against the Note Trustee arising from non-performance of the Obligations only to the extent of the Note Trustee's right of indemnity out of the Note Trust Fund of the Note Trust.
- (f) Except in the case of and to the extent of fraud, gross negligence or wilful misconduct on the part of the Note Trustee, if any party other than the Note Trustee does not recover all money owing to it arising from non-performance of the Obligations it may not seek to recover the shortfall by:
  - (i) bringing proceedings against the Note Trustee in its personal capacity; or
  - (ii) applying to have the Note Trustee put into administration or wound up or applying to have a receiver or similar person appointed to the Note Trustee or proving in the administration or winding up of the Note Trustee.
- (g) Except in the case of and to the extent of fraud, gross negligence or wilful misconduct on the part of the Note Trustee, the parties other than the Note Trustee waive their rights and release the Note Trustee from any personal liability whatsoever, in respect of any loss or damage:
  - (i) which they may suffer as a result of any:
    - (A) breach by the Note Trustee of any of its Obligations; or
    - (B) non-performance by the Note Trustee of the Obligations; and
  - (ii) which cannot be paid or satisfied out of the Note Trust Fund of which the Note Trustee is entitled to be indemnified in respect of any liability incurred by it as trustee of the Note Trust.
- (h) The parties other than the Note Trustee acknowledge that the whole of this deed is subject to this clause 8.1 and the Note Trustee shall in no circumstances be required to satisfy any liability of the Note Trustee arising under, or for non-performance or breach of any Obligations under or in respect of, this deed or under or in respect of any other document to which it is expressed to be a party out of any funds, property or assets other than the Note Trust Fund of the Note Trust under the Note Trustee's control and in its possession as and when they are available to the Note Trustee to be applied in exoneration for such liability PROVIDED THAT if the liability of the Note Trustee is not fully satisfied out of the Note Trust Fund of the Note Trust as referred to in this clause 8.1, the Note Trustee will be liable to pay out of its own funds, property and assets the unsatisfied amount of that liability but only to the extent of the total amount, if any, by which the Note Trust Fund of the Note Trust have been reduced by reasons of fraud, gross negligence or wilful misconduct by the Note Trustee in the performance of the Note Trustee's duties as trustee of the Note Trust.

- (i) The parties agree that no act or omission of the Note Trustee (including any related failure to satisfy any Obligations) will constitute fraud, gross negligence or wilful misconduct of the Note Trustee for the purposes of this clause 8.1 to the extent to which the act or omission was caused or contributed to by any failure of the Issuer or any other person to fulfil its obligations relating to the Note Trust or by any other act or omission of the Issuer or any other person.
- (j) No attorney, agent or other person appointed in accordance with the Conditions or this deed has authority to act on behalf of the Note Trustee in a way which exposes the Note Trustee to any personal liability (except in accordance with the provisions of this clause 8.1), and no act or omission of such a person will be considered fraud, gross negligence or wilful misconduct of the Note Trustee for the purposes of this clause 8.1.
- (k) Notwithstanding any provision of the Conditions or this deed to the contrary, including, without limitation, any indemnity made by the Note Trustee in the Conditions or this deed, the Note Trustee will not in any event be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable, even if the Note Trustee has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.
- (l) In this clause 8.1, the "**Obligations**" means all obligations and liabilities of whatever kind undertaken or incurred by, or devolving upon, the Note Trustee under or in respect of the Notes, the Conditions or this deed.

## 8.2 Indemnity

The Note Trustee is entitled to indemnify itself out of the Note Trust Fund against any properly incurred Costs and any claim, loss, damage, judgment, action, suit proceeding or liability made against, or suffered, payable or properly incurred by it as a result of or in relation to any of the following, including, in each case, the fees and expenses of the relevant service provider (on a full indemnity basis) of legal and other professional advisers, provided that no such entitlement arises to the extent that the Costs, claim, loss, damage, judgment, action, suit proceeding, liability, fees or expenses was made or was suffered, incurred or payable as a result of the Note Trustee's fraud, gross negligence or wilful misconduct in respect of:

- (a) the compliance by it of any of its obligations under the Conditions or this deed;
- (b) the stamping and registration of this deed;
- (c) the exercise, enforcement or preservation, or contemplated or attempted exercise, enforcement or preservation, of any of its rights, remedies or powers as Note Trustee;
- (d) the performance or purported performance of its obligations under the Conditions or this deed;
- (e) or in relation to any matter connected with clause 6.3 ("Dispute or ambiguity");
- (f) any action or omission by it under the Conditions or this deed; or

- (g) anything done or not done by it pursuant to any instruction received from the Noteholders pursuant to clause 4.14 ("After receiving instructions from the Noteholders").

### **8.3 Exoneration**

- (a) Neither the Note Trustee nor any of its directors, officers, employees, agents, attorneys or Related Bodies Corporate is responsible or liable to any Noteholder:
  - (i) because any person (other than the Note Trustee) does not comply with its obligations under the Conditions, this deed or any other Transaction Document;
  - (ii) for the financial position of any other party to this deed or any other Transaction Document;
  - (iii) for the completeness or accuracy of statements, representations or warranties made by any other person in the Conditions, this deed or any other Transaction Document;
  - (iv) for the validity or enforceability of the Notes, this deed or any other Transaction Document against any other person;
  - (v) for any action taken or not taken by it in accordance with the Conditions or this deed or, subject to clause 6.1 ("Power to delegate"), another person under or in connection with the Notes, this deed or any other Transaction Document including without limitation, any action it takes pursuant to any instruction received from the Noteholders pursuant to clause 4.14 ("After receiving instructions from the Noteholders"); or
  - (vi) for acting, or not acting, in good faith in reliance on:
    - (A) any communication or document that the Note Trustee believes to be genuine and correct and to have been signed or sent by the appropriate person (except where the person is a Related Body Corporate of the Note Trustee); or
    - (B) any opinion or advice of any professional advisers used by it in relation to any legal, accounting, taxation or other matters.
- (b) However, if any Related Body Corporate of the Note Trustee is a party to any other document or agreement in connection with the Notes or this deed, this clause 8.3 does not relieve the Related Body Corporate from any of its responsibilities or liabilities to any Noteholder in connection with that document or agreement which arise as a result of the Related Body Corporate being a party thereto.

### **8.4 Evidence of claims**

The Note Trustee will be entitled and is authorised by the Issuer to call for (and will be entitled to accept as conclusive evidence thereof) a certificate from any auditor, receiver, administrator or liquidator of the Issuer as to:

- (a) the amounts of the claims of the creditors which have been admitted in any liquidation, dissolution or other winding up and which will not have been satisfied in full out of the other assets of the Issuer;

- (b) the persons entitled to those assets and their respective entitlements; and
- (c) any other information the Note Trustee may reasonably request.

## **8.5 Certificate**

Save in the case of manifest or proven error of which the Note Trustee is aware, any certificate given by any receiver, administrator or liquidator of the Issuer will be conclusive and binding on the Note Trustee and all Noteholders.

## **8.6 Not bound to give notice**

The Note Trustee is not bound to give notice to any person of the execution of this deed and the Note Trustee is not bound to take any steps to ascertain whether any event has happened upon the happening of which Notes become immediately payable.

## **8.7 Noteholder capacity**

The Note Trustee's duties and obligations to Noteholders are owed to Noteholders only in their capacity as Noteholders.

## **8.8 Knowledge of the Note Trustee**

The Note Trustee will only be considered to have knowledge or awareness of a thing, or grounds or reason to believe anything, by virtue of the officers of the Note Trustee having the day to day responsibility for the administration of the Note Trust, having actual knowledge, actual notice or actual awareness of that thing, or actual grounds or reason to believe that thing (and similar references will be interpreted in this way). In addition, notice, knowledge or awareness of a default or breach of this deed means actual knowledge, notice or awareness (in the sense set out above) of the events or circumstances constituting the default or breach.

## **8.9 Acting on directions**

To the extent permitted by law, the Note Trustee is not liable to a Noteholder for acting in accordance with any Noteholder Resolution or any other direction given by any Noteholder or Noteholders in accordance with the Conditions or this deed with which the Note Trustee is required to comply.

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# **9 Fees and expenses**

## **9.1 Fees**

The Issuer agrees (failing whom the Guarantors jointly and severally agree) to pay fees to the Note Trustee on the terms agreed between the Issuer and the Note Trustee from time to time. The payment of such fees must be made by the Issuer by transfer to such account nominated from time to time by the Note Trustee to the Issuer or by such other means notified by the Note Trustee to the Issuer from time to time.

## **9.2 Costs and expenses**

The Issuer must (failing whom the Guarantors jointly and severally shall) pay its own costs and expenses properly incurred in connection with negotiating, preparing, executing and performing the Transaction Documents and must pay the Note Trustee on demand for:

- (a) all expenses (including legal fees, costs and disbursements) properly incurred in connection with negotiating, preparing and executing this deed and the Transaction Documents, and any subsequent consent, agreement, approval, waiver or amendment relating to the Notes, this deed or the Transaction Documents;
- (b) all losses and expenses (including professional advisers fees, consultants fees, costs and disbursements, determined without taxation, assessment, or similar process) suffered or properly incurred by the Note Trustee in connection with exercising, enforcing or preserving, or attempting to exercise, enforce or preserve, rights under the Notes or this deed;
- (c) all losses and expenses (including professional advisers fees, costs and disbursements, determined without taxation, assessment, or similar process) suffered or properly incurred by the Note Trustee which arise out of, or in the course of, the Note Trustee acting as the trustee of the Note Trust, except where such expenses are incurred by the Note Trustee as a direct result of a Note Trustee Default; and
- (d) where the Note Trustee incurs expenses as the result of an Event of Default and those expenses would not have been incurred had there not been an Event of Default, the Note Trustee has the discretion to demand such expenses are recovered at an hourly rate, provided those expenses are properly incurred by or on behalf of the Note Trustee.

The Note Trustee shall be entitled to claim in respect of the above for its losses and expenses it has incurred in defending any action, suit, proceeding or dispute in which a Note Trustee Default is alleged or claimed against it but, on the same being determined by a non-appealable judgment by a court of competent jurisdiction, it shall from its personal assets immediately repay such amount as the court may direct in respect of such losses or expenses in connection with that matter or circumstance in which a Note Trustee Default has been determined by such court.

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## **10 Retirement and removal of Note Trustee**

### **10.1 Retirement**

The Note Trustee may retire (without giving any reason for its retirement) at any time upon giving not less than 60 days' notice (or such other period as the Note Trustee and the Issuer may agree) in writing to the Issuer of its intention to do so.

### **10.2 New Note Trustee**

Subject to clause 10.3 ("Note Trustee may appoint new Note Trustee"), the power to appoint a new Note Trustee is vested in the Issuer.

### **10.3 Note Trustee may appoint new Note Trustee**

If the Note Trustee has given notice in writing to the Issuer of its desire to retire in accordance with clause 10.1 ("Retirement") and a new Note Trustee has not been appointed at or before the time that the Note Trustee's retirement is to have taken effect, the retiring Note Trustee may appoint (or, in its discretion, apply to the court for the appointment of) a new Note Trustee and any such appointment will be effective without the approval of the Issuer or the Noteholders being required, but the Note Trustee may, in lieu of exercising the power conferred by this clause 10.3, call a meeting of Noteholders for the purpose of appointing by the passing of an Noteholder Resolution a person nominated either by the Note Trustee or by any Noteholder as the new Note Trustee.

#### **10.4 When retirement to take effect**

Notwithstanding anything contained in this clause 10.4, the Note Trustee covenants that the retirement of the Note Trustee under clause 10.1 ("Retirement") will not take effect unless and until:

- (a) a new Note Trustee has been appointed; and
- (b) the new Note Trustee has executed a deed whereby it agrees to perform the obligations of the Note Trustee under and in connection with this deed,

and the Note Trustee hereby declares that this covenant is intended for the benefit of the Noteholders.

#### **10.5 Removal of Note Trustee**

- (a) Subject to compliance with the relevant statutory requirements for the time being where:
  - (i) the Note Trustee is in material breach of its obligations under the Conditions or this deed and has not rectified the breach within seven Business Days of receiving a notice from the Issuer specifying the breach and requesting that it be remedied;
  - (ii) the Note Trustee has acted (or failed to act) in a manner that constitutes a Note Trustee Default in connection with this deed or the Notes and such default is continuing;
  - (iii) the Note Trustee ceases or has ceased or has expressed an intention to cease to carry on business;
  - (iv) the Note Trustee is placed in liquidation or is wound-up or dissolved;
  - (v) a receiver, receiver and manager, liquidator, administrator or similar official is appointed to the Note Trustee;
  - (vi) any licence, consent, authorisation, permit or similar thing the Note Trustee is required to hold to carry out its obligations and duties under or in respect of this deed is revoked or not renewed; or
  - (vii) the Issuer is authorised or requested to do so by a meeting of the Noteholders called under clause 15 ("Meetings of Noteholders"),

the Noteholders (acting by Special Resolution) may remove the Note Trustee by giving not less than 60 days' notice to the Note Trustee (or such other period as the Note Trustee and the Issuer may agree).

- (b) Any removal of the Note Trustee under this clause 10.5 will only take effect upon the appointment of a new Note Trustee under clause 10.3 ("Note Trustee may appoint new Note Trustee").
- (c) On the retirement or removal of the Note Trustee, the Note Trustee must at the cost of the Issuer do all such things and execute all such deeds and assurances as are necessary for the purpose of vesting in a new Note Trustee all money, property, rights, powers, authorities and discretions vested in the Note Trustee under this deed. The Note Trustee is entitled to its remuneration up to the date of its retirement or

removal and reimbursement for its costs of complying with this clause 10.5(c).

## **10.6 Discharge**

- (a) By force of this clause 10.6, when the Note Trustee retires or is removed, the Note Trustee is, to the extent permitted by law, discharged and released from its obligations, covenants and liabilities under the Conditions or this deed arising after the date it retires or is removed. The Issuer must then, if required by the Note Trustee, execute a confirmation of release in favour of the Note Trustee in a form and substance reasonably acceptable to the Note Trustee, provided that failure by the Issuer to do so will not affect the discharge and release of the Note Trustee under this clause 10.6(a).
- (b) Notwithstanding the retirement or removal of the Note Trustee, the former Note Trustee will continue to be entitled to the indemnities contained in this deed in relation to all acts and omissions and other matters occurring up to the date of its retirement, removal or replacement and it may retain copies of any documents and records required by it and which it reasonably considers to be relevant and will grant reasonable access to any other documents and records by the new Note Trustee.

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## **11 Covenants**

### **11.1 Issuer's general duties**

The Issuer undertakes to the Note Trustee that it will, for so long as any of the Notes remain outstanding:

- (a) notify the Note Trustee promptly (and in any event within 5 days) after it becomes aware of an Event of Default;
- (b) if requested by a Noteholder or the Note Trustee, provide a copy of this deed to that Noteholder or the Note Trustee;
- (c) maintain, or cause to be maintained, a Register;
- (d) comply with the Conditions;
- (e) carry on and conduct its business in a proper and efficient manner;
- (f) keep proper books of account;
- (g) provide directly to the Note Trustee and make available on its website to Noteholders:
  - (i) within 90 days after the close of each financial year, a copy of the Issuer's audited financial statements or the Group's audited consolidated financial statements (if any), each in respect of that financial year;
  - (ii) within 45 days after the close of each quarter of the financial year, a quarterly report that sets out various matters, including:
    - (A) an updated commentary on the performance of the Group in respect of that particular quarter;
    - (B) the management accounts of the Issuer and of the members of the Group; and



- (C) any other matters that may impact the Issuer or the Group;
- (iii) as soon as practicable after the Issuer becomes aware of their existence, information relating to the following events:
  - (A) any material change to the financial forecasts or expectations, value of underlying assets or any financial rating of the Issuer or a member of the Group;
  - (B) any material changes to the Issuer's or the Group's debt funding arrangements, including any material breaches of covenants;
  - (C) the appointment of any external administrator to the Issuer or a member of the Group;
  - (D) any distributions made by the Issuer or a member of the Group; or
  - (E) any other information likely to affect the value of the Notes or any other securities of the Issuer or a member of the Group;
- (iv) to the extent not already provided under this clause 11.1(g), within seven days of issue, copies of all reports and releases made by the Issuer to a Government Agency or any other regulatory body;
- (v) promptly, copies of all documents and notices given to Noteholders; and
- (vi) all other information or reports required to be provided to the Note Trustee under the Corporations Act (if any) or requested by the Note Trustee which is reasonably required for the purposes of the discharge of the duties, trusts and powers vested in the Note Trustee under this deed or imposed upon it by law,

and, if requested by a Noteholder, provide copies of any of the above to such Noteholder within a reasonable time of such request;

- (h) comply with all statutory and regulatory requirements applicable to it to the extent they relate to its obligations under the Transaction Documents, where a failure to do so would have or would be likely to have a Material Adverse Effect;
- (i) at all times treat the Noteholders of each Note rateably and equitably and, in particular:
  - (i) promptly notify the Noteholders of Notes of any proposed meeting of Noteholders of Notes (or of any proposed Circulating Resolution) at which any amendment to the Transaction Documents (including the Conditions), or at which any waiver, consent or other declaration or clarification is being sought or proposed; and
  - (ii) not permit any amendments to the Transaction Documents to take effect, or to agree any waiver, consent, declaration or clarification, unless and until the Noteholders of Notes have approved those amendments or agreed the waiver or consent; and

- (j) at the request of the Note Trustee, provide to the Note Trustee not later than 14 days after such request, a certificate signed by either two directors or a director and either the company secretary or the chief financial officer of the Issuer which certifies whether, in the opinion of the directors, the company secretary and/or the chief financial officer of the Issuer (as appropriate) and after having made all reasonable enquiries, no Event of Default has occurred or is subsisting.

## 11.2 Authorisations

The Issuer undertakes to promptly obtain and renew all necessary consents, filings and authorisations relating to its respective business and the entry into and performance of its obligations under the Transaction Documents where failure to do so would have or would be likely to have a Material Adverse Effect.

## 11.3 Benefit

The Note Trustee declares and acknowledges that the benefit of the undertakings and covenants of the Issuer in the Conditions or this deed are held on trust by the Note Trustee for the benefit of itself and the Noteholders from time to time.

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# 12 Representations and warranties

## 12.1 Representations and warranties by the Issuer

The Issuer makes the following representations and warranties to the Note Trustee for the benefit of the Note Trustee and the Noteholders:

- (a) **(incorporation and existence)** it has been incorporated as a company limited by shares in accordance with the law of its place of incorporation, is validly existing under that law and has power and authority to carry on its business as it is now being conducted;
- (b) **(power)** it has the power to enter into the Transaction Documents to which it is a party and to issue Notes and to comply with its obligations under each of them;
- (c) **(no contravention or exceeding power)** the Transaction Documents and the transactions under them which involve it do not contravene its constituent documents (if any) or any law, regulation, directive or obligation by which it is bound or to which any of its assets are subject or cause a limitation on its powers or the powers of its directors to be exceeded and do not (and will not) breach or conflict with any agreement or instrument (including any Encumbrance) binding on it;
- (d) **(authorisations)** it has in full force and effect the authorisations necessary for it to enter into the Transaction Documents to which it is a party, to comply with its obligations and exercise its rights under them, to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under the Transaction Documents constitute (and in the case of the Notes, when issued will constitute) legal, valid, binding and (subject to insolvency and other laws generally affecting creditors' rights and the discretionary nature of equitable remedies) enforceable obligations;
- (f) **(accounts)** its most recent audited financial statements:

- (i) were prepared in accordance with the applicable accounting standards for a financial year; and
- (ii) are a true and fair statement of its financial position as at the date to which they are prepared and disclose or reflect all its actual and contingent liabilities as at that date;
- (g) **(no Event of Default)** no Event of Default has occurred and is subsisting or will result from the issue of Notes;
- (h) **(no proceedings)** except as expressly disclosed in the Information Memorandum, it is not aware of any pending or threatened proceeding affecting it or any of its Subsidiaries or any of their assets before a court, authority, commission or arbitrator except those in which a decision against it or the Subsidiary (either alone or together with other decisions) are not likely to have a Material Adverse Effect;
- (i) **(no immunity)** neither it nor any of its assets has any immunity from set off, suit or execution;
- (j) **(not as trustee)** it does not enter into any of the Transaction Documents as a trustee of any trust; and
- (k) **(solvency)** it is solvent and is able to pay its due debts (in accordance with section 287 of the Companies Act).

## 12.2 Representations and warranties by the Guarantors

Each Guarantor makes the following representations and warranties to the Note Trustee for the benefit of the Note Trustee and the Noteholders:

- (a) **(incorporation and existence)** it has been incorporated as a company limited by shares in accordance with the law of its place of incorporation, is validly existing under that law and has power and authority to carry on its business as it is now being conducted;
- (b) **(power)** it has the power to enter into the Transaction Documents to which it is a party and to issue Notes and to comply with its obligations under each of them;
- (c) **(no contravention or exceeding power)** the Transaction Documents and the transactions under them which involve it do not contravene its constituent documents (if any) or any law, regulation, directive or obligation by which it is bound or to which any of its assets are subject or cause a limitation on its powers or the powers of its directors to be exceeded and do not (and will not) breach or conflict with any agreement or instrument (including any Encumbrance) binding on it;
- (d) **(authorisations)** it has in full force and effect the authorisations necessary for it to enter into the Transaction Documents to which it is a party, to comply with its obligations and exercise its rights under them, to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under the Transaction Documents constitute (and in the case of the Notes, when issued will constitute) legal, valid, binding and (subject to insolvency and other laws generally affecting creditors' rights and the discretionary nature of equitable remedies) enforceable obligations;
- (f) **(accounts)** its most recent audited financial statements:

- (i) were prepared in accordance with the applicable accounting standards for a financial year; and
  - (ii) are a true and fair statement of its financial position as at the date to which they are prepared and disclose or reflect all its actual and contingent liabilities as at that date;
- (g) **(no Event of Default)** no Event of Default has occurred and is subsisting or will result from the issue of Notes;
- (h) **(no proceedings)** except as expressly disclosed in the Information Memorandum, it is not aware of any pending or threatened proceeding affecting it or any of its Subsidiaries or any of their assets before a court, authority, commission or arbitrator except those in which a decision against it or the Subsidiary (either alone or together with other decisions) are not likely to have a Material Adverse Effect;
- (i) **(no immunity)** neither it nor any of its assets has any immunity from set off, suit or execution;
- (j) **(not as trustee)** it does not enter into any of the Transaction Documents as a trustee of any trust; and
- (k) **(solvency)** it is solvent and, in the case of a Guarantor incorporated in New Zealand, is able to pay its due debts (in accordance with section 287 of the Companies Act) and, in the case of a Guarantor incorporated in England and Wales, is able to pay its due debts (in accordance with section 123 of the Insolvency Act 1986 (UK)).

### 12.3 Representations and warranties by the Note Trustee

The Note Trustee makes the following representations and warranties to the Issuer:

- (a) **(incorporation and existence)** the Note Trustee is a company duly incorporated and validly existing under the laws of its jurisdiction of incorporation;
- (b) **(power)** the Note Trustee:
  - (i) has the power and authority to own its assets and to carry on its business as, and in such place or places as, it is now being conducted;
  - (ii) has the power to enter into, and exercise its rights and perform and comply with its obligations (if any) under the Transaction Documents; and
  - (iii) has taken or will take all necessary action to authorise the entry into the relevant Transaction Documents and the performance of all its obligations under those documents; and
- (c) **(no contravention or exceeding power)** the entry into and performance by it of any obligations under the Transaction Documents, the exercise by it of any right or the performance or observance of any obligation under any of those documents, and the transactions contemplated by them does not (and will not) breach or conflict with:
  - (i) any laws and regulations applicable to it or any directive of any Government Agency;

- (ii) any agreement or instrument (including any Encumbrance) binding on it; or
- (iii) its constitutional documents.

#### **12.4 Representations and warranties repeated**

Each of the representations and warranties in clauses 12.1 ("Representations and warranties by the Issuer") and 12.2 ("Representations and warranties by the Guarantors") are deemed to be repeated by the Issuer and each Guarantor on the date of execution of this deed, the date of execution of a New Guarantor Deed Poll, the Issue Date and on each Interest Payment Date by reference to the facts and circumstances existing on such date.

#### **12.5 Reliance**

The Issuer, the Guarantors and the Note Trustee acknowledge that they have each entered into this deed in reliance on the representations and warranties in, or given under, this deed, including under clauses 12.1 ("Representations and warranties by the Issuer"), 12.2 ("Representations and warranties by the Guarantors") and 12.3 ("Representations and warranties by the Note Trustee") (as the case may be).

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### **13 Issue of Notes**

#### **13.1 Issue**

Subject to the Conditions and the terms of this deed, the Issuer may issue Notes to any person.

#### **13.2 Entry in Register**

- (a) The Issuer may create and issue Notes by registering, or causing the registration of the relevant applicants (or their nominees) in the Register as the Noteholders of the relevant number of Notes on or about the Issue Date.
- (b) A Note is issued when the relevant Noteholder is entered in the Register as the Noteholder of the Note.
- (c) All Notes in respect of which an entry is made in the Register are (subject to rectification for fraud or error) taken to have been validly issued under this deed, regardless of any non-compliance by the Issuer with the provisions of this deed.

#### **13.3 No certificates**

Except to the extent required by law or otherwise determined by the Issuer, no certificates in respect of the Notes will be issued by the Issuer or the Note Trustee.

#### **13.4 Provision of Information and Inspection of Register**

- (a) The Registrar must:
  - (i) provide to the Note Trustee and the Issuer such information as is contained in the Register and is required by it in order to perform any obligation pursuant to this deed or the Conditions;

- (ii) make the Register:
  - (A) available for inspection or copying to the Note Trustee and each of its agents or delegates and the Issuer; and
  - (B) available for inspection by each Noteholder but only in respect of information relating to that Noteholder,

at the Registrar's Specified Office during local business hours.

### **13.5 Issuer dealing with Notes**

The Issuer, or any third party nominated by the Issuer, may purchase or otherwise deal with any Notes in accordance with the applicable Conditions.

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## **14 Registers and Paying Agents**

### **14.1 Registers**

The Issuer must establish and maintain, or procure the establishment and maintenance of, a register of the Noteholders of Notes in accordance with the Conditions and the terms of the Agency Agreement.

### **14.2 Location of Register**

The Register will be kept at:

- (a) the Registrar's principal place of business in New South Wales;
  - (b) such other place in Australia approved by the Issuer and the Registrar,
- provided that the Register must not be located in South Australia.

### **14.3 Inspection**

The Issuer must ensure that the Register will be available for inspection by the Note Trustee, the Noteholders and persons authorised in writing by the Note Trustee or a Noteholder during the hours of 9.00am to 4.30pm (Sydney time) each Monday to Friday (unless any such day is not a Business Day).

### **14.4 Change in information**

A Noteholder must advise the Issuer of any change to the information noted in the Register in respect of that Noteholder. On receipt of such advice, the Issuer must promptly update the information contained in that Register.

The Issuer is not however obliged to change the information contained in a Register while it is closed.

### **14.5 Replacement of Registrar**

If the Issuer is actually aware that the Registrar is not performing its duties, the Issuer shall take reasonable steps to remove the Registrar and replace them with a person it reasonably believes is competent to perform the intended functions.

#### **14.6 Copy to the Note Trustee**

The Issuer will give, or cause to be given, to the Note Trustee, a complete copy (which may be in electronic or written form as the Issuer so determines) of the Register as soon as is reasonably practicable after the Note Trustee so requests.

#### **14.7 Property in Notes situated where the Register is**

The property in the Notes will for all purposes be regarded as situated at the place where the relevant Register is for the time being situated and not elsewhere.

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### **15 Meetings of Noteholders**

#### **15.1 Meeting provisions**

The Note Trustee and the Issuer agree to call and hold meetings of Noteholders under the Meeting Provisions.

#### **15.2 Noteholder Resolution**

Subject to clause 15.3 ("Special Resolution"), Noteholders may, by a Noteholder Resolution:

- (a) approve the alteration of this deed under clause 16.1(b)(ii) ("Alteration"); and
- (b) give directions to the Note Trustee as to, or authorise, ratify or confirm anything done or not done by the Note Trustee in respect of the performance or exercise of any of the duties, rights, powers and remedies of the Note Trustee under or relating to the Notes, this deed or any other instrument to which the Note Trustee is or becomes a party in the capacity of trustee under this deed.

To the extent permitted by law, the Note Trustee is not liable to a Noteholder, the Issuer or any other person for acting on directions given by the Noteholders under this deed, or under any authorisation, resolution or confirmation made or given by the Noteholders to the Note Trustee.

#### **15.3 Special Resolution**

Notwithstanding any other term of this deed, Noteholders may by a Special Resolution:

- (a) approve the release of the Note Trustee from liability for something done or omitted to be done by the Note Trustee or any other person before the release is given;
- (b) approve any act taken or to be taken by the Note Trustee; and
- (c) approve the alteration of this deed under clause 16.1(b)(iii) or 16.1(b)(iv) ("Alteration").

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## **16 Alteration**

### **16.1 Alteration**

- (a) At any time and from time to time, the Issuer may amend the Conditions in accordance with the Conditions and this deed.
- (b) At any time and from time to time, the Issuer and the Note Trustee may, by a supplemental deed, alter this deed (other than the Conditions):
  - (i) if the Issuer and the Note Trustee are each of the opinion such alteration is:
    - (A) of a formal, minor or technical nature;
    - (B) is made to correct a manifest error; or
    - (C) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision; or

provided that, in all cases, in the reasonable opinion of the Issuer and the Note Trustee, such amendment is not materially prejudicial to the interests of Noteholders as a whole;

- (ii) except as otherwise provided in paragraphs (iii) and (iv) below, if such alteration is authorised by a Noteholder Resolution;
- (iii) in the case of an alteration to this clause 16 or any clause of this deed providing for Noteholders to give a direction to the Note Trustee by a Special Resolution, if a Special Resolution is passed in favour of such alteration; or
- (iv) in the case of an alteration to the Meeting Provisions and to which paragraph (b)(i) of this clause 16.1 does not apply, if a Special Resolution is passed in favour of such alteration.

### **16.2 Interpretation**

In this clause 16, “alter” includes modify, cancel, amend, waive or add to, and “alteration” has a corresponding meaning.

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## **17 Confidentiality**

### **17.1 Financial information**

Except as required by Condition 5.5(d) (“Other covenants”) or as is otherwise expressly provided in this deed or the Information Memorandum, the Note Trustee has no duty or obligation to provide any Noteholder with any financial information relating to the Issuer provided that the Note Trustee shall, at the request of a Noteholder, provide to that Noteholder copies of any financial statements received by the Note Trustee under clause 11.1(g) (“Issuer’s general duties”).

### **17.2 Confidential Information**

The Note Trustee must keep confidential all Confidential Information (as defined below) of the Issuer except:



- (a) as (but only to the extent) required by or in connection with any obligation, duty or power of the Note Trustee under the Notes or this deed;
- (b) as (but only to the extent) required by law or any judicial or regulatory authority or body;
- (c) to those officers, employees, delegates and professional advisers of the Note Trustee to whom it is necessary to reveal the information or any part of it; or
- (d) to a person approved in writing by the Issuer (such approval to be given or withheld in the Issuer's absolute discretion or on such conditions as it deems fit).

### 17.3 Undertaking

The Note Trustee agrees to use its reasonable endeavours to ensure that every person to whom it provides Confidential Information under this clause 17 (except clauses 17.1, 17.2(a) and 17.2(b)) keeps the Confidential Information confidential on the same terms as this clause 17.

### 17.4 Meaning

In this clause 17, "**Confidential Information**" means all information and other material provided to or obtained by the Note Trustee, a delegate or any officer, employee, professional adviser or other consultant of the Note Trustee under, in connection with or related to the Notes or this deed or any obligation, duty or power of the Note Trustee under the Notes or this deed, that is not in the public domain except such information as is required to be disclosed by the Note Trustee to Noteholders under the Conditions or this deed.

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## 18 Discharge and release

### 18.1 Discharge and release

By force of this clause 18, the Issuer and each Guarantor will immediately be discharged and released from its liabilities, obligations and covenants under this deed when:

- (a) the Face Value for each Note, Interest and any accrued but not yet due and payable interest and any unpaid interest as at that date have been paid in full or otherwise Redeemed or satisfied including under this deed;
- (b) the Issuer provides an Officer's Certificate stating that the Face Value for each Note, Interest and any accrued but not yet due and payable interest and any unpaid interest as at that date have been paid in full or otherwise Redeemed or satisfied;
- (c) the Issuer has furnished to the Note Trustee a statement in writing that it does not intend to, and will not, create any Notes in the future under this deed; and
- (d) all fees, costs, charges and expenses properly incurred by the Note Trustee and all other amounts which are, or may be, payable or reimbursable by the Issuer or a Guarantor have been paid and the Note Trustee has confirmed in writing that all such amounts have been paid in full.

The Note Trustee must then, if required by the Issuer and at the Issuer's cost, execute a confirmation of release in favour of the Issuer and in favour of each Guarantor (which includes a statement that the requirements of this clause have been satisfied) and terminate this deed and this deed will terminate on such a release being given. The Note Trustee is, to the extent permitted by law, discharged and released from its obligations, covenants and liabilities under this deed and the Conditions with effect from the termination of this deed.

## **18.2 Distribution**

If this deed is terminated under clause 18.1 ("Discharge and release"), the Note Trustee will distribute the balance of the capital and income (if any) of the Note Trust (including cash) at the direction of the Issuer.

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## **19 Notices**

### **19.1 Notices to Noteholders**

All notices and other communications to the Noteholders in connection with this deed must be made in accordance with the notice provisions set out in Condition 17 ("Notices").

### **19.2 Notices to Note Trustee**

- (a)
  - (i) All notices and other communications to the Note Trustee in connection with this deed must be in writing, signed by a person authorised by the sender for such purposes and marked for the attention of the Note Trustee as provided in the Details or, if the Note Trustee has notified otherwise, then marked for attention in the way last notified.
  - (ii) Communications sent by email need not be marked for attention in the way stated in this clause 19.2. However, the email must state the first and last name of the sender. Communications sent by email are taken to be signed by the named sender.
- (b) Communications must be:
  - (i) left at the address;
  - (ii) sent by prepaid ordinary post (airmail, if appropriate) to the address;
  - (iii) sent by fax to the fax number; or
  - (iv) sent by email to the address,set out or referred to in the Details.

However, if the Note Trustee has notified a changed address or fax number, then communications must be to that address or number.
- (c) Communications take effect from the time they are received or taken to be received under paragraph (d) below (whichever happens first) unless a later time is specified.
- (d) Communications are taken to be received:

- (i) if sent by post, 3 days after posting (or seven days after posting if sent from one country to another);
- (ii) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent; or
- (iii) if sent by email:
  - (A) when the sender receives an automated message confirming delivery; or
  - (B) when the sender receives any other proof that the email has been received,

whichever happens first.
- (e) Notwithstanding paragraphs (c) and (d) above, if communications are received or taken to be received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day and take effect from that time unless a later time is specified.
- (f) The Note Trustee may waive any period of notice required to be given by the Issuer under this deed.

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## **20 General**

### **20.1 Application to Transaction Documents**

If anything in this clause 20 is inconsistent with a provision in another Transaction Document, then the provision in the other Transaction Document prevails for the purposes of that Transaction Document.

### **20.2 Certificates**

The Note Trustee may give to any other party to the Transaction Documents a certificate about an amount payable or other matter in connection with this deed or the Notes. In the absence of manifest or proven error, that certificate is sufficient evidence of the amount or matter.

### **20.3 Remedies cumulative**

The rights and remedies of the Note Trustee under the Conditions and this deed are in addition to other rights and remedies given by law independently of the Conditions or this deed.

### **20.4 Payments of commission, brokerage etc**

The Issuer may pay a commission, procuration fee, brokerage or any other fees to any person for subscribing or underwriting the subscription of or subscription for Notes.

### **20.5 Indemnities**

Any indemnity is a continuing obligation, independent of the Issuer's or any Guarantor's other obligations and continues after the relevant document ends (including, without limitation, pursuant to any discharge and release under clause 18 ("Discharge and release")). It is not necessary for the Note Trustee to incur expense or make payment before enforcing a right of indemnity under this deed.

## **20.6 Serving documents**

Without preventing any other method of service, any document in a court action in connection with this deed or the Notes may be served by being delivered to or left at that party's address specified in the Details (if relevant) or at the person's registered office or principal place of business.

## **20.7 Consent**

Each party to this deed agrees to comply with all conditions in any consent the Note Trustee gives in connection with this deed.

## **20.8 Discretion in exercising rights**

The Note Trustee may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this deed expressly states otherwise.

## **20.9 Partial exercising of rights**

If the Note Trustee does not exercise a right or remedy fully or at a given time, the Note Trustee may still exercise it later.

## **20.10 Indirect Tax**

- (a) All payments to be made by the Issuer under or in connection with this deed have been calculated without regard to Indirect Tax. If all or part of any such payment is the consideration for a taxable supply for the purposes of Indirect Tax then, when the payer makes the payment:
  - (i) the payer must pay to the Note Trustee an additional amount equal to that payment (or part) multiplied by the appropriate rate of Indirect Tax; and
  - (ii) the Note Trustee will promptly provide to the payer a tax invoice complying with the relevant law relating to that Indirect Tax.
- (b) Where this deed requires the Issuer to reimburse the Note Trustee for any Costs, the Issuer must also at the same time pay and indemnify the Note Trustee against all Indirect Tax incurred by the Note Trustee in respect of the Costs save to the extent that the Note Trustee is entitled to repayment or credit in respect of the Indirect Tax. The Note Trustee will promptly provide to the Issuer a tax invoice complying with the relevant law relating to that Indirect Tax. Unless notified by the Note Trustee, the Issuer must assume that the Note Trustee is not entitled to any input tax credit for that Indirect Tax. The Note Trustee must promptly notify the Issuer if it is entitled to any input tax credit for that Indirect Tax.

Conditions used in this clause 20.10 have the meaning given to them in the A New Tax System (Goods and Services Tax) Act 1999 of Australia (as appropriate).

## **20.11 Counterparts**

This deed may consist of a number of copies, each signed by one or more parties to this deed. If so, the signed copies are treated as making up the one document.

## **20.12 Governing law and jurisdiction**

- (a) This deed and the Notes are governed by the law in force in New South Wales.

- (b) Each party submits, and each Noteholder is taken to have submitted, to the non-exclusive jurisdiction of the courts of that place.
- (c) Each of the Issuer and the Guarantors waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

### **20.13 Agent for service of process**

Each of the Issuer and the non-Australian Guarantors appoints Deposit Power Pty Ltd (ABN 49 160 226 442) of Level 10, 28 Margaret Street, Sydney NSW 2000, Australia as its agent to receive any document referred to in clause 20.6 ("Serving documents"). If for any reason that person ceases to be able to act as such, the Issuer or the non-Australian Guarantor will immediately appoint another person with an office located in New South Wales to act as its agent to receive any such document and will promptly notify the Note Trustee of such appointment.

**EXECUTED** as a deed

# Note Trust Deed

## Schedule 1 - Definitions and Interpretation

### 1.1 Definitions

In this deed, these meanings apply unless the contrary intention appears:

**Agency Agreement** has the meaning given in the Conditions;

**Agent** has the meaning given in the Conditions;

**Austraclear System** has the meaning given in the Conditions;

**Australian Tax Act** means the Income Tax Assessment Act 1936 of Australia and, where applicable, the Income Tax Assessment Act 1997 of Australia;

**Business Day** has the meaning given in the Conditions.

**Calculation Agent** has the meaning given in the Conditions;

**Companies Act** means the Companies Act 1993 of New Zealand;

**Conditions** means the conditions of that Note as set out in the Information Memorandum and references to a numbered "Condition" shall be construed accordingly;

**Corporations Act** means the Corporations Act 2001 of Australia;

**Costs** includes costs, charges and expenses;

**Details** means the section of this deed headed "Details";

**Encumbrance** means a mortgage, charge, pledge, lien or other Security Interest securing any obligation of any person or any other agreement, notice or arrangement having a similar effect;

**Enforcement Action** means any action to enforce the Notes or this deed and includes:

- (a) declaring amounts due and payable in accordance with Condition 12.2 ("Consequences of an Event of Default");
- (b) taking action to wind-up the Issuer; and
- (c) bringing proceedings as contemplated by Condition 12.2 ("Consequences of an Event of Default") or 12.4 ("Enforcement");

**Event of Default** means, in respect of a Note, the happening of any event set out in Condition 12 ("Events of Default");

**Exposure** has the meaning given to that term in the Security Trust Deed;

**Face Value** means the nominal principal amount of each Note, being A\$1,000;

**Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;

**Government Agency** means the Crown, a government, a government department or a governmental, semi-governmental, statutory, administrative, parliamentary, provincial, public, municipal, local, judicial or quasi-judicial body;

**Group** means the Issuer and each of its Subsidiaries from time to time;

**Guarantee** means the guarantee set out in Schedule 3 ("Guarantee") of this deed;

**Guaranteed Obligations** means all liabilities and obligations of whatever nature, whether monetary or otherwise, actual or contingent, incurred by the Issuer to the Note Trustee or a Noteholder under any Note;

**Guarantor** means each Initial Guarantor and each other person who becomes a Guarantor pursuant to this deed by executing New Guarantor Deed Poll but excludes any person who has been released from the Guarantee pursuant to this deed, from time to time. If there are more than one, the Guarantor means each of them individually and every two or more of them jointly;

**Indirect Tax** means any goods and services tax, consumption tax, value added tax or any tax of a similar nature;

**Information Memorandum** means:

- (a) the information memorandum to be dated on or about 15 April 2014 or the then latest information memorandum which replaces that document; or
- (b) the information or other offering document referred to in a Pricing Supplement,

in each case prepared by, or on behalf of, and approved by the Issuer in connection with the issue of Notes and all documents incorporated by reference in it, including any applicable Pricing Supplement and any other amendments or supplements to it;

**Initial Guarantors** means each entity listed in Schedule 2 ("Initial Guarantors") of this deed;

**Interest** has the meaning given in the Conditions;

**Interest Payment Date** has the meaning given in the Conditions;

**Issue Date** means, in respect of a Note, the date on which that Note is issued;

**Issuer** means CBL Corporation Limited, a company incorporated under the Companies Act 1993 of New Zealand with company number 3888838;

**Material Adverse Effect** means an event or circumstance which has, or would reasonably be expected to have, a material adverse effect on the ability of the Issuer to meet its obligations under any Transaction Document or the Notes;

**Maturity Date** in respect of a Note has the meaning given in the Conditions;

**Meeting Provisions** means the provisions for meetings of the Noteholders set out in Schedule 5 ("Meeting Provisions") of this deed;

**New Guarantor Deed Poll** means a deed poll substantially in the form of Schedule 4 ("Form of New Guarantor Deed Poll") of this deed;

**Note** means a medium term debt obligation issued, or to be issued, by the Issuer which is constituted by, and owing under, this deed, the details of which are recorded in, and evidenced by, entry in the Register;

**Note Trust** means the trust constituted by this deed;

**Note Trust Fund** means:

- (a) the right to enforce the Issuer's duty to repay under the Notes;
- (b) the right to enforce the Issuer's obligation to pay all other amounts payable under the Notes;
- (c) the right to enforce any other rights, duties or obligations that the Issuer or any Guarantor has:
  - (i) under the Conditions;
  - (ii) under this deed (including the Guarantee);
  - (iii) to the Noteholders under the other Transaction Documents; or
  - (iv) to the extent applicable, under Chapter 2L of the Corporations Act;
- (d) the right to enforce each Guarantor's duties and obligations under the Guarantee;
- (e) the amount of A\$10 referred to in clause 3.3 ("Declaration of Trust");
- (f) any other property held by the Note Trustee on the trust established under this deed (including, without limitation, the benefit of any covenants, undertakings, representations, warranties, rights, powers, benefits or remedies in favour of the Noteholders or the Note Trustee under the Notes or this deed); and
- (g) any property which represents the proceeds of sale of any such property including by way of enforcement of security

**Note Trustee** means BNY Trust Company of Australia Limited (ABN 49 050 294 052) in its capacity as trustee of the CBL Corporation Note Trust constituted by this deed;

**Note Trustee Default** means, in respect of the Note Trustee, fraud, gross negligence and wilful misconduct;

**Noteholder** means, in respect of a Note, means the person whose name is entered on the Register as the holder of that Note;

**Noteholder Resolution** means a resolution passed at a meeting of Noteholders of the Notes, duly called and held, or by postal ballot or written resolution, under the Meeting Provisions:

- (a) by more than 50 per cent. of the persons voting on a show of hands (unless paragraph (b) below applies);
- (b) if a poll is duly demanded, then by a majority consisting of more than 50 per cent. of the votes cast; or



- (c) if the resolution is to be passed by postal ballot or written resolution, then by Noteholders representing (in aggregate) more than 50 per cent. of the principal amount outstanding of all of the Notes;

**NZ GAAP** means generally accepted accounting practice in New Zealand as defined in section 3 of the Financial Reporting Act 1993 of New Zealand or, in relation to each financial year that commences on or after 1 April 2014, section 8 of the Financial Report Act 2014 of New Zealand (as applicable);

**Officer's Certificate** means a certificate signed by a director or secretary of the Issuer;

**Permitted Security Interest** has the meaning given in the Conditions;

**Pricing Supplement** has the meaning given in the Conditions;

**Redemption** means the redemption of a Note in accordance with Condition 10 ("Redemption") and the words **Redeem**, **Redeemable** and **Redeemed** bear their corresponding meanings;

**Redemption Date** means, in respect of a Note, the date, other than the Maturity Date, on which the Note is redeemed in whole;

**Register** has the meaning given in the Conditions;

**Registrar** means BTA Institutional Services Australia Limited (ABN 48 002 916 396);

**Related Body Corporate** has the meaning given in the Corporations Act;

**Security** has the meaning given to that term in the Security Trust Deed;

**Security Interest** has the meaning given in the Conditions;

**Security Trust Deed** means the "Security Trust Deed" dated 15 April 2014 between the Issuer, the Initial Guarantors and the Security Trustee;

**Security Trustee** means Permanent Custodians Limited (ABN 55 001 426 384) or any person who becomes the "Security Trustee" under the Security Trust Deed.

**Special Resolution** means:

- (a) a resolution passed at a meeting of the Noteholders of the Notes duly called and held under the Meeting Provisions:
- (i) by at least 66⅔ per cent. of the persons voting on a show of hands (unless paragraph (b) below applies);
  - (ii) if a poll is duly demanded, then by a majority consisting of at least 66⅔ per cent. of the votes cast; or
- (b) a resolution passed by postal ballot or written resolution under the Meeting Provisions by Noteholders representing (in aggregate) at least 66⅔ per cent. of the principal amount outstanding of all of the Notes;

**Specified Office** means the office specified in the Information Memorandum or any other address notified to Noteholders from time to time;

**Subsidiary** means, in relation to any person:

(a) a subsidiary within the meaning of section 5 of the Companies Act 1993 of New Zealand (or any other person which would be a subsidiary of that person if that person and the other person were both registered under the Companies Act 1993 of New Zealand); or

(b) a "subsidiary" in accordance with NZ GAAP,

of that person;

**Taxes** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of the Noteholder;

**Transaction Documents** means:

(a) this deed;

(b) each Agency Agreement;

(c) each Pricing Supplement;

(d) the Security Trust Deed;

(e) a Note;

(f) any Accession Letter (as defined in the Security Trust Deed);

(g) each Security;

(h) the final, executed fee letter detailing the fee arrangements for the Security Trustee acting as Security Trustee under the Security Trust Deed;

(i) the final, executed fee letter detailing the fee arrangements for the Note Trustee;

(j) the final, executed fee letter detailing the fee arrangements for an Agent;

(k) any document designated as a "Transaction Document" by the parties; and

a document entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in a paragraph above; and

**Transfer Form** means a transfer form substantially in the form determined by the Issuer and the Note Trustee.

## 1.2 Interpretation

In this deed, except where the context otherwise requires:

(a) the singular includes the plural and vice versa, and a gender includes other genders;

(b) another grammatical form of a defined word or expression has a corresponding meaning;

(c) a reference to a document (including this deed) includes all schedules or annexes to it;

- (d) a reference to a clause or paragraph is to a clause or paragraph of this deed or its schedules or annexes provided that a reference to a clause in the Conditions is to the correspondingly numbered term and a reference in the Conditions to "the Trust Deed" is to this deed;
- (e) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (f) a reference to "**Australian dollars**", "**A\$**", "**dollar**", "**\$**" or "**cent**" is a reference to the lawful currency of Australia;
- (g) unless otherwise specified, a reference to time is to Sydney time;
- (h) a reference to a person includes a reference to the person's executors, administrators, successors and permitted assigns and substitutes;
- (i) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (j) a reference to a statute, ordinance, code, rule, directive or law (however described) includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) an Event of Default is "subsisting" if it has not been remedied or waived in writing; and
- (n) headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this deed.

### **1.3 References to principal and interest**

Unless the contrary intention appears:

- (a) any reference to "principal" is taken to include the Face Value of a Note payable at Redemption, any additional amounts in respect of principal which may be payable under the Conditions and any other amount in the nature of principal payable in respect of the Notes under the Conditions; and
- (b) any reference to "interest" is taken to include any additional amounts and any other amount in the nature of interest payable in respect of the Notes under the Conditions.

### **1.4 Acknowledgements**

The parties acknowledge and agree, and each Noteholder is taken to have acknowledged and agreed, that:

- (a) Notes which are lodged or approved for entry in the Austraclear System are subject to the rules and regulations of the Austraclear System; and

- (b) the Code of Banking Practice 2003 does not apply to any Transaction Document or any transaction or service under a Transaction Document.

#### **1.5 General compliance provision**

- (a) A provision of this deed which is inconsistent with a provision of the Corporations Act does not operate to the extent of the inconsistency.
- (b) This paragraph 1.5 prevails over all other provisions of this deed including any that are expressed to prevail over it.

#### **1.6 Inconsistency with Conditions**

A provision of any part of this deed which is inconsistent with a provision of the Conditions does not operate to the extent of the inconsistency.

# Note Trust Deed

## Schedule 2 – Initial Guarantors

Name	ABN (or equivalent) and address and other contact details	Jurisdiction of incorporation
LBC Holdings New Zealand Limited	<p>New Zealand company number 4772359</p> <p>Address: Level 8, 51 Shortland Street, Auckland 1010, New Zealand</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	New Zealand
LBC Holdings Europe Limited	<p>New Zealand company number 4774919</p> <p>Address: Level 8, 51 Shortland Street, Auckland 1010, New Zealand</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	New Zealand
LBC Holdings UK Limited	<p>New Zealand company number 4774859</p> <p>Address: Level 8, 51 Shortland Street, Auckland 1010, New Zealand</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	New Zealand
Intercede 2408 Limited	<p>United Kingdom company number 07550811</p> <p>Address: 12 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1PA, United Kingdom</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	United Kingdom

European Insurance Services Limited	<p>United Kingdom company number 05681736</p> <p>Address: 12 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1PA, United Kingdom</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	United Kingdom
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# Note Trust Deed

## Schedule 3 - Guarantee

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### 1 Guarantee

#### 1.1 Guarantee

- (a) Each Guarantor unconditionally and irrevocably and jointly and severally guarantees to the Note Trustee and to each Noteholder the due and punctual payment and performance (whether at stated maturity, upon acceleration or otherwise) by the Issuer of the Guaranteed Obligations owed to the Note Trustee and to such Noteholder pursuant to each Note held by that Noteholder.
- (b) If the Issuer defaults in the due and punctual payment or performance of any of the Guaranteed Obligations, a Guarantor, upon written demand by the Note Trustee or the relevant Noteholder under clause 1.2 ("Demand"), shall immediately pay or perform (as the case may be) those Guaranteed Obligations to the Note Trustee or such Noteholder in respect of which the Issuer is in default.
- (c) The obligations of a Guarantor under this guarantee rank at least equally with all other direct, unsubordinated and unsecured obligations of that Guarantor, except for liabilities mandatorily preferred by law.

#### 1.2 Demand

A demand by the Note Trustee or a Noteholder under this guarantee must be executed:

- (a) in the case of the Note Trustee or a Noteholder which is a body corporate, under the common seal or by a duly authorised officer or a duly appointed attorney of the Note Trustee or Noteholder; or
- (b) in the case of a Noteholder which is a natural person, by the natural person or the natural person's duly appointed attorney,

and served on a Guarantor at their address shown in the section of this deed headed "Details" or such other address as may be notified from time to time by such Guarantor as being its address for this purpose (or, in the absence of such notification, the registered address of the Issuer). A demand must include a statement that the Issuer has failed to pay or perform a Guaranteed Obligation.

#### 1.3 Principal obligations

Each Guarantor's obligations under this deed are principal obligations and are not ancillary or collateral to any other right or obligation.

#### 1.4 Continuing guarantee

This guarantee is a continuing guarantee. Each Guarantor's liability is absolute and unconditional and is not affected by anything which otherwise might operate to relieve it of its obligations, including, without limitation:

- (a) any transaction or arrangement, including an arrangement which increases the Guaranteed Obligations, any extension of time, waiver or release, or any variation in terms or conditions, which may be made or given between any of a Noteholder, the Issuer, a Guarantor and anyone else;
- (b) the winding up, liquidation or becoming insolvent under administration of, or appointment of an administrator to, a Guarantor, the Issuer or any other person;
- (c) the fact that any other person fails to become bound or ceases to be bound as surety in respect of the Guaranteed Obligations;
- (d) any failure by the Note Trustee or a Noteholder to give notice, or any other omission, delay or mistake on the part of the Note Trustee or a Noteholder; and
- (e) any change in the constitution, directors or management of the Issuer or any Guarantor.

### **1.5 Indemnity**

Each Guarantor unconditionally and irrevocably and jointly and severally indemnifies the Note Trustee and each Noteholder on demand against any loss which it may suffer because the whole or any part of the Guaranteed Obligations owed to it is not recoverable or is not enforceable in whole or in part.

### **1.6 Benefit**

- (a) Each Guarantor enters into this deed poll for the benefit severally of the Note Trustee and the Noteholders from time to time.
- (b) The Note Trustee and each Noteholder may severally enforce their rights under this Guarantee.
- (c) Nothing done or omitted to be done by the Note Trustee or a Noteholder under or in relation to this Guarantee will affect the rights of the Note Trustee or any other Noteholder (as the case may be).

### **1.7 Direction to hold deed poll**

Each Noteholder is taken to have irrevocably:

- (a) instructed the Issuer that the deed (or a certified copy) pursuant to which the Guarantee has been given is to be delivered to and held by the Note Trustee; and
- (b) appointed and authorised the Note Trustee to hold such deed in Sydney (or such other place as the Issuer and the Note Trustee may agree) on its behalf,

in each case until all the obligations of the Issuer under the Notes have been discharged in full.

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## **2 Payments**

All payments by a Guarantor under this Guarantee shall be made in the currency or currencies in which the relevant Guaranteed Obligations are denominated. Payments by a Guarantor shall be made free and clear of any deductions or withholding. In the event that a Guarantor is prohibited by law from making



payments free of deductions or withholdings, then such Guarantor shall pay such additional amount to the Note Trustee or Noteholder as may be necessary in order that the actual amount received after all applicable deductions and withholdings shall equal the amount that would have been received if such deductions or withholdings were not made.

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### **3 Change of Guarantors**

#### **3.1 Additional Guarantors**

A Subsidiary becomes a party to this Guarantee as a Guarantor (after the date of this deed) by signing and delivering to the Issuer and the Note Trustee a "New Guarantor Deed Poll" in substantially the same form as set out in this deed and doing any other thing necessary to ensure the enforceability of that person's obligations as a Guarantor.

#### **3.2 Release of Guarantors**

The obligations of a Guarantor under this guarantee may be terminated by the Issuer giving notice to the Note Trustee and the Noteholders in accordance with the Conditions and publishing a notice in a newspaper of general circulation in Australia stating that the obligations of that Guarantor under this Guarantee will be terminated and this guarantee revoked in respect of that Guarantor not less than 30 days from the publication date. Such revocation will not affect the liability of any other Guarantor not named in such notice.

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### **4 Preference**

If, after the Note Trustee or a Noteholder applies any amount against any of the Guaranteed Obligations owed to it, the Note Trustee or the Noteholder forms the view that it is obliged to make a payment in respect of the amount so applied by it to any person under any law relating to bankruptcy, winding up or the protection of creditors, the rights of the Note Trustee or such Noteholder under this Guarantee will be reinstated, and will be the same in respect of that amount as if the application, or the payment or transaction giving rise to it, had not been made.

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### **5 Financial Covenants**

Each Guarantor expressly undertakes to comply with the terms of Condition 5 ("Negative pledge and financial and other covenants") in so far as the terms of that Condition expressly apply to it or where the Issuer has agreed to ensure or otherwise that a Guarantor so comply with Condition 5 ("Negative pledge and financial and other covenants").

# Note Trust Deed

## Schedule 4 – Form of New Guarantor Deed Poll

### New Guarantor Deed Poll

#### Details

<b>Additional Guarantor</b>	Name	[•]
	ABN	[•]
	Address	[•]
	Fax	[•]
	Telephone	[•]
	Attention	[•]
<b>Guarantee and Note Trust Deed</b>	Guarantee set out in Schedule 2 ("Guarantee") of the Note Trust Deed made by CBL Corporation Limited and the Note Trustee and dated [•] (" <b>Note Trust Deed</b> ").	
<b>Governing law of this deed poll</b>	The same as the Note Trust Deed.	

**BY THIS DEED POLL** the Additional Guarantor described above:

- (a) irrevocably agrees that from the date of this deed it is a Guarantor for the purposes of the Note Trust Deed;
- (b) irrevocably agrees to comply with and be bound by all current and future obligations of a Guarantor under the Note Trust Deed;
- (c) acknowledges having read a copy of the Note Trust Deed before signing this deed poll; and
- (d) acknowledges receiving valuable consideration for this deed poll.

The "Interpretation" clause of the Note Trust Deed and the Conditions applies to this deed poll as if it was fully set out in this deed poll.

**DATED** *[insert date]*

**EXECUTED** as a deed poll

*[Insert attestation clause for Additional Guarantor]*

# Note Trust Deed

## Schedule 5 – Meeting Provisions

*The following are the Meeting Provisions referred to in the Conditions, and which will apply to meetings of Noteholders and are applicable to the convening of meetings of Noteholders and the passing of resolutions by them.*

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### 1 Interpretation

#### 1.1 Incorporation of other defined terms

Terms which are defined in the Conditions or the Note Trust Deed to which these Meeting Provisions are a schedule have the same meaning when used in these provisions unless the same term is also defined in these provisions, in which case the definition in these provisions will prevail. Subject to this, the remaining "Interpretation" provisions of the Conditions apply to these provisions.

#### 1.2 Definitions

These meanings apply unless the contrary intention appears:

**Circulating Resolution** means a written resolution of Noteholders made in accordance with paragraph 10 ("Circulating Resolutions");

**Conditions** means the terms and conditions applicable to a Note set out in the Information Memorandum, as supplemented, amended, modified or replaced by the Pricing Supplement applicable to that Note;

**Form of Proxy** means a notice in writing in the form available from the Issuer (or such other person specified in a Pricing Supplement);

**Proxy** means a person so appointed under a Form of Proxy;

**Notification Date** means the date stated in the copies of a Circulating Resolution sent to Noteholders, which must be no later than the date on which that resolution is first notified to Noteholders; and

**Special Quorum** has the meaning set out in paragraph 5.1 ("Number for a quorum").

#### 1.3 Noteholders at a specified time

The time and date for determining the identity of a Noteholder who may be counted for the purposes of determining a quorum or attend and vote at a meeting, or sign a Circulating Resolution, is at the close of business in the place where the Register is maintained on the date which is seven days before either the date of the meeting or, for a Circulating Resolution, the Notification Date (as applicable).

#### 1.4 Notes held by the Issuer and its Subsidiaries

In determining whether the provisions relating to quorum, meeting and voting procedures or the signing of a Circulating Resolution are complied with, any Notes held in the name of the Issuer or any of its Subsidiaries must be

disregarded. The Issuer agrees to provide the Note Trustee with a list of its Related Bodies Corporate upon request.

#### **1.6 Calculation of period of notice**

If a notice must be given within a certain period of days or a certain number of days' notice must be given or any other matter must take place within a certain number of days, the day on which the notice is given or action taken, and the day on which the meeting is to be held or other action taken, are not to be counted in calculating that period.

---

## **2 Convening a meeting**

### **2.1 Who can convene a meeting?**

- (a) The Issuer may convene a meeting of Noteholders whenever it thinks fit.
- (b) The Issuer must convene a meeting (or must arrange for the Note Trustee to do so) if it is asked to do so in writing by Noteholders who alone or together hold Notes representing at least 10 per cent. of the outstanding principal amount of Notes.
- (c) The Note Trustee need not convene a meeting at the request of the Issuer unless it is indemnified to its reasonable satisfaction against all reasonable costs, charges and expenses incurred by it in convening the meeting.

### **2.2 Venue**

A meeting may be held at two or more venues using any technology that gives the Noteholders as a whole a reasonable opportunity to participate at the same time.

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## **3 Notice of meeting**

### **3.1 Period of notice**

Unless otherwise agreed in writing by each Noteholder (or notice consisting of such shorter period of time that is required for any party to be in compliance with clause 6.3 ("Instructions; extent of discretion") of the Security Trust Deed), at least 21 days' notice of a meeting must be given to:

- (a) each Noteholder (or, in the case of a Note registered as being owned jointly, the person whose name appears first in the Register);
- (b) if the notice is not given by the Note Trustee, the Note Trustee; and
- (c) if the notice is not given by the Issuer, the Issuer.

### **3.2 Contents of notice**

The notice must:

- (a) specify the date, time and place of the meeting;
- (b) specify the resolutions to be proposed; and

- (c) explain how Noteholders may appoint Proxies and state that Proxies may be appointed until 48 hours before the meeting but not after that time.

### **3.3 Effect of failure to give notice**

A meeting is duly convened and proceedings at it are valid, notwithstanding:

- (c) the accidental omission to give notice (or any amending or supplementary notice) to, or the non-receipt of notice by, any person entitled to receive notice; or
- (d) the omission to give notice (or any amending or supplementary notice) to a Noteholder whose country of residence (as shown in the Register) is outside Australia and where the giving of notice to such Noteholder is not permitted by applicable law, or applicable only after compliance with conditions which the Issuer in its discretion considers unduly onerous.

### **3.4 Notices to be given in accordance with Conditions**

Condition 17 ("Notices") applies to these provisions as if it was fully set out in these provisions.

### **3.5 Registered Noteholders**

Noteholders who are or become registered as Noteholders less than 21 days before a meeting will not receive notice of that meeting.

---

## **4 Chairman**

### **4.1 Nomination of chairman**

The Issuer must nominate in writing a person as the chairman of a meeting.

The chairman of a meeting may, but need not, be a Noteholder.

### **4.2 Absence of chairman**

If a meeting is held and:

- (a) a chairman has not been nominated; or
- (b) the person nominated as chairman is not present within 15 minutes after the time appointed for the holding the meeting, or is unable or unwilling to act,

the Noteholders or Proxies present may appoint a chairman, failing which, the Issuer may appoint a chairman.

### **4.3 Chairman of adjourned meeting**

The chairman of an adjourned meeting need not be the same person as was the chairman of the meeting from which the adjournment took place.

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## 5 Quorum

### 5.1 Number for a quorum

- (a) At any meeting, any one or more Noteholders present in person or by a Form of Proxy will constitute a quorum for the purposes of passing the resolutions shown in the table below only if they alone or together hold (or in the case of Proxies, represent Noteholders who hold) Notes representing in aggregate at least the proportion of the outstanding principal amount of the Notes of the relevant Series shown in the table below.

Type of resolution	Required proportion for any meeting except for meeting previously adjourned because of lack of quorum	Required proportion for meeting previously adjourned because of lack of quorum
Special Resolution requiring a Special Quorum	33⅓ per cent. or more	20 per cent. or more
Special Resolution	25 per cent. or more	10 per cent. or more
Noteholder Resolution	10 per cent. or more	No requirement

- (b) In determining how many Noteholders are present, each individual attending as a Proxy is to be counted, except that:
- (i) where a Noteholder has appointed more than one Proxy, only one of those Proxies is to be counted;
  - (ii) where an individual is attending both as a Noteholder and as a Proxy on behalf of another Noteholder, that individual is to be counted once in respect of each such capacity; and
  - (iii) where an individual is attending as a Noteholder and has also appointed a Proxy in respect of the Notes it holds, those individuals are to be counted only once.

### 5.2 Requirement for a quorum

An item of business (other than the choosing of a chairman) may not be transacted at a meeting unless a quorum is present when the meeting proceeds to consider it. If a quorum is present at the time the first item of business is transacted, it is taken to be present when the meeting proceeds to consider each subsequent item of business unless the chairman of the meeting (on the chairman's own motion or at the request of a Noteholder or Proxy who is present (if such request is accepted by the chairman in its absolute discretion)) declares otherwise.

### 5.3 If quorum not present

If within 30 minutes after the time appointed for a meeting a quorum is not present, the meeting:

- (a) if convened on the requisition of Noteholders, is dissolved; and

- (b) in any other case, is adjourned until a date, time and place the chairman appoints. The date of the adjourned meeting must be no earlier than 7 days in respect of any meeting from which the adjournment took place, and no later than 42 days after, the date of the meeting from which the adjournment took place unless a shorter period is required for any party to be in compliance with clause 6.3 ("Instructions; extent of discretion") of the Security Trust Deed.

#### **5.4 If quorum not present at adjourned meeting**

If a quorum is not present within 30 minutes after the time appointed for any adjourned meeting, the chairman may dissolve the meeting.

If the chairman does not dissolve the meeting, the chairman may with the consent of (and must if instructed by) the Noteholders on a show of hands adjourn the meeting to a new date, time or place.

---

## **6 Adjournment of a meeting**

### **6.1 When a meeting may be adjourned**

The chairman of a meeting may with the consent of and must if directed by any meeting, adjourn the meeting or any business, motion, question, debate or discussion being considered or remaining to be considered by the meeting either to a later time at the same meeting or to an adjourned meeting at any time and any place.

### **6.2 Notice of adjourned meeting**

It is not necessary to give notice of an adjournment unless a meeting is adjourned because of a lack of a quorum. In that case, unless otherwise agreed in writing by each Noteholder, the Issuer (or the Note Trustee on behalf of the Issuer) must give 5 days' notice of the adjourned meeting to each person entitled to receive notice of a meeting under these provisions. The notice must state the quorum required at the adjourned meeting but need not contain any further information.

---

## **7 Voting**

### **7.1 Voting on a show of hands**

Every resolution put to a vote at a meeting must be decided on a show of hands unless a poll is properly demanded in accordance with paragraph 7.2 ("When is a poll properly demanded").

A declaration by the chairman that a resolution has been carried, or carried by a particular majority, or lost or not carried by any particular majority, is conclusive evidence of the fact. Neither the chairman nor the minutes need state, and it is not necessary to prove, the number or proportion of the votes recorded in favour of or against the resolution.

### **7.2 When is a poll properly demanded**

A poll may be properly demanded by:

- (a) the chairman;
- (b) the Issuer; or

- (c) one or more persons who alone or together hold (or represent Noteholders who hold) Notes representing in aggregate at least 5 per cent. of the principal amount of the outstanding Notes in respect of which the meeting has been called.

The poll may be properly demanded before a vote is taken or before or immediately after the voting results on a show of hands are declared.

### **7.3 Poll**

If a poll is properly demanded, it must be taken in the manner and at the date and time directed by the chairman, provided that a poll demanded must be taken immediately or at such time (being not later than 30 days from the date of the meeting). The result of the poll is a resolution of the meeting at which the poll was demanded.

A poll demanded on the election of a chairman or on a question of adjournment must be taken immediately.

A demand for a poll may be withdrawn.

The demand for a poll does not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll was demanded.

### **7.4 Equality of votes - chairman's casting vote**

If there is an equality of votes either on a show of hands or on a poll, the chairman of the meeting has a casting vote in addition to any votes to which the chairman is otherwise entitled to as a Noteholder or Proxy.

### **7.5 Entitlement to vote**

A Noteholder (or, in the case of a Note registered as being owned jointly, the person whose name appears first in the Register) may be present and vote in person at any meeting in respect of the Note or be represented by Proxy.

Except where these provisions otherwise provide, at any meeting:

- (a) on a show of hands, each Noteholder present in person and each person present as a Proxy on behalf of a Noteholder who is not present at the meeting has one vote (and, if a Noteholder is present as a Proxy on behalf of another Noteholder, that Noteholder has one vote in respect of each such appointment and any person present as a Proxy on behalf of more than one Noteholder, that Proxy has one vote in respect of each such capacity); and
- (b) on a poll each Noteholder or Proxy present has one vote in respect of each principal amount equal to the Denomination of the Notes which are registered in that person's name or in respect of which that person is a Proxy.

Without affecting the obligations of the Proxies named in any Form of Proxy, any person entitled to more than one vote need not use all votes (or cast all its the votes) to which it is entitled in the same way.

### **7.6 Entitlement to attend and speak**

The only persons entitled to attend and speak at any meeting are the Issuer, the Guarantors, the Note Trustee, the Registrar, the Noteholders (and/or their Proxies) and their respective financial and legal advisers and the chairman.



## **7.7 Objections to right to vote**

A challenge to a right to vote at a meeting of Noteholders:

- (a) may only be made at the meeting; and
- (b) must be determined by the chairman, whose decision is final and binding on all relevant persons.

---

## **8 Proxies**

### **8.1 Appointment of Proxy**

A Noteholder entitled to attend and vote at a meeting may appoint a Proxy to attend and act on that Noteholder's behalf in connection with any meeting by signing a Form of Proxy signed by the Noteholder. If the Noteholder is a corporation, the Form of Proxy must be executed in accordance with the Corporations Act or in such other manner as is acceptable to the Issuer and the Note Trustee.

### **8.2 Validity of Forms of Proxy**

Forms of Proxy are valid for so long as the Notes to which they relate are registered in the name of the appointor but not otherwise.

The failure to provide the power of attorney or other certification of authority does not invalidate a Form of Proxy.

### **8.3 Who may be a Proxy?**

A Proxy:

- (a) need not be a Noteholder; and
- (b) may be an attorney, officer, employee, contractor, agent, representative of, or otherwise connected with, the Issuer or the Note Trustee.

### **8.4 Form of Proxy must be lodged with Issuer**

A Form of Proxy will not be treated as valid unless:

- (a) it is (together with any power of attorney or other authority under which it is signed, or a copy of that power or authority certified in the manner as the Issuer (or the Note Trustee if the Note Trustee is being appointed as proxy) may require) received by the Issuer or the Note Trustee (as the case may be) (or a person appointed to act on behalf of the Issuer or the Note Trustee (as the case may be) as specified in the notice of meeting) at the office specified in the notice of meeting; and
- (b) it is received no later than 48 hours before the time at which the meeting at which the Form of Proxy is to be used is scheduled to commence.

### **8.5 Revocation and amendment**

Any vote given in accordance with the terms of a Form of Proxy is valid even if, before the Proxy votes, the relevant Noteholder:

- (a) revokes or amends the Form of Proxy or any instructions in relation to it; or

- (b) transfers the Notes in respect of which the proxy was given,

unless notice of revocation, amendment or transfer is received from the Noteholder who signed that Form of Proxy by the Issuer or the Note Trustee (as the case may be) (or a person appointed to act on behalf of the Issuer or the Note Trustee (as the case may be) specified in the notice of meeting) at the office specified in the notice of meeting no later than 24 hours before the time at which the meeting at which the Form of Proxy is used is scheduled to commence.

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## **9 Single Noteholder**

If there is only one Noteholder, that Noteholder may pass a resolution by recording it and signing the record.

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## **10 Circulating Resolutions**

The Noteholders may without a meeting being held:

- (a) pass a Noteholder Resolution, if within one month after the Notification Date, Noteholders representing at least 50 per cent. of the principal amount of outstanding Notes as at the Notification Date sign a document stating that they are in favour of the resolution set out in that document; or
- (b) pass a Special Resolution, if within one month after the Notification Date, Noteholders representing at least 66⅔ per cent. of the principal amount of outstanding Notes as at the Notification Date sign a document containing a statement that they are in favour of the resolution set out in that document

Separate copies of a document may be used for signing Noteholders if the wording of the resolution and statement is identical in each copy.

### **10.2 When is a Circulating Resolution passed**

The resolution is passed when the last Noteholder signs it.

### **10.3 Effect of failure to give copy of Circulating Resolution**

The accidental omission to give a copy of Circulating Resolution to, or the non-receipt of a copy by, any Noteholder does not invalidate the Circulating Resolution.

---

## **11 Matters requiring a Special Resolution**

The following matters require a Special Resolution of Noteholders:

- (a) any proposal by the Issuer for any amendment of the Note Trust Deed or the Conditions or any compromise of any of the rights of the Noteholders against the Issuer which materially and adversely affects the rights or interests of the Noteholders, and whether such rights arise under the Conditions or otherwise and which is not otherwise specifically referred to in the following sub-paragraphs of this paragraph 11;
- (b) the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer

- or any other body corporate which is not expressly permitted under the Conditions;
- (c) a waiver of any breach or other non-performance of obligations by the Issuer in connection with the Note Trust Deed or an authorisation of any proposed breach or non-performance;
  - (d) the authorisation of any person to do anything necessary to give effect to a Special Resolution;
  - (e) to sanction the grant of a Security Interest pursuant to Condition 5.1 ("Group negative pledge");
  - (f) to sanction any scheme for the reconstruction of the Issuer or the amalgamation of the Issuer with any other corporation where such sanction is necessary;
  - (g) the exercise of any right, power or discretion under the Note Trust Deed or the Conditions that otherwise expressly requires a Special Resolution; or
  - (h) the appointment of any committee (which need not consist of Noteholders) to represent the interests of the Noteholders and the conferring on the committee of any rights, powers or discretions which the Noteholders may exercise by a Special Resolution.

---

## **12 Special Resolutions requiring a Special Quorum**

The following matters require a Special Quorum to be present at the meeting:

- (a) a change to the dates of maturity or redemption of any Notes or any date on which a payment of principal or interest is due on any Notes;
- (b) a reduction or cancellation of an amount payable, or a change to the method of calculating an amount payable or a date of payment in respect of the Notes (other than where the reduction, cancellation or change is expressly provided for in the Conditions or where the modification increases the amount payable);
- (c) a change to the due currency of any payment in respect of the Notes;
- (d) a change to the majority required to pass a Special Resolution; and
- (e) a change to the quorum (whether a Special Quorum or otherwise) required to pass a Special Resolution at any meeting.

---

## **13 Matters requiring a Noteholder Resolution**

The Noteholders have the power exercisable by Noteholder Resolution to do anything for which a Special Resolution is not required.

---

## **14 Effect and notice of resolution**

### **14.1 Resolutions are binding**

A resolution passed at a meeting duly convened and held (or by a Circulating Resolution duly sent and signed) in accordance with these provisions is binding

on the Issuer, any Guarantor and on all Noteholders, whether or not they were present, or voted, at the meeting (or signed the Circulating Resolution).

#### **14.2 Notice of resolutions**

The Issuer must give notice (or procure that notice be given) to the Noteholders and the Note Trustee of the result of the voting on a resolution within 14 days of the result being known. However, failure to do so does not invalidate the resolution.

---

### **15 Minutes**

#### **15.1 Minute books**

The Issuer must keep minute books in which it records:

- (a) proceedings and resolutions of meetings; and
- (b) Circulating Resolutions.

#### **15.2 Minutes and Circulating Resolutions must be signed**

The Issuer must ensure that:

- (a) minutes of a meeting are signed by the chairman of the meeting or by the chairman of the next meeting; and
- (b) Circulating Resolutions are signed by an authorised officer of the Issuer.

#### **15.3 Minutes and Circulating Resolutions conclusive**

A minute or Circulating Resolution that is recorded and signed in accordance with these provisions is, unless the contrary is proved, conclusive evidence:

- (a) of the matters contained in it;
- (b) that the meeting has been duly convened and held (or copies of the proposed Circulating Resolution have been duly sent and signed); and
- (c) that all resolutions have been duly passed.

---

### **16 Further procedures**

The Issuer may prescribe by notice to the Noteholders and the Note Trustee further regulations for the holding of, attendance and voting at meetings as are necessary or desirable provided such regulations do not adversely affect the interests of the Noteholders.

# Note Trust Deed

## Signing page

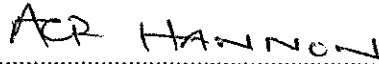
DATED 15 April 2014

### ISSUER

EXECUTED by CBL CORPORATION  
LIMITED (New Zealand company  
number 388838):



Signature of director



Name of director (block letters)



Signature of director



Name of director (block letters)

INITIAL GUARANTORS

EXECUTED by LBC HOLDINGS NEW  
ZEALAND LIMITED (New Zealand  
company number 4772359):

.....  
Signature of witness

.....  
Name of witness (block letters)  
Christopher Leslie Ashton  
Solicitor  
.....  
Address of witness

.....  
Occupation of witness

.....  
Signature of director

.....  
Name of director (block letters)

EXECUTED by LBC HOLDINGS  
EUROPE LIMITED (New Zealand  
company number 4774919):

.....  
Signature of witness  
Christopher Leslie Ashton  
Solicitor  
.....  
Name of witness (block letters)

.....  
Address of witness

.....  
Occupation of witness

.....  
Signature of director

.....  
Name of director (block letters)

EXECUTED by LBC HOLDINGS UK  
LIMITED (New Zealand company  
number 4774859):

Signature of witness

Name of witness (block letters)

Christopher Leslie Ashton

Solicitor

Address of witness

Occupation of witness

Signature of director

Name of director (block letters)

EXECUTED by INTERCEDE 2408  
LIMITED (English company number  
07550811):

Signature of witness

Name of witness (block letters)

Christopher Leslie Ashton

Solicitor

Address of witness

Occupation of witness

Signature of director

Name of director (block letters)

EXECUTED by EUROPEAN  
INSURANCE SERVICES LIMITED  
(English company number 05671736):

Signature of witness

Christopher Leslie Ashton

Solicitor

Name of witness (block letters)

Address of witness

Occupation of witness

Signature of director

Name of director (block letters)

**NOTE TRUSTEE**

**SIGNED, SEALED AND DELIVERED**  
by  
as attorney for **BNY TRUST**  
**COMPANY OF AUSTRALIA LIMITED**  
(ABN 49 050 294 052) under power of  
attorney in the presence of:

Signature of witness

**Jean Louie**

Name of witness (block letters)



Marjana Cvetanoska  
Managing Director

By executing this deed the attorney  
states that the attorney has received no  
notice of revocation of the power of  
attorney



# **General Security Deed**

relating to CBL Corporation Limited

Dated 15 April 2014

**Mayne  
Wetherell**

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## **Parties**

The companies listed in the schedule (**Grantors**)

Permanent Custodians Limited (**Security Trustee**)

## **Covenants**

---

### **1. Interpretation**

1.1 In this document, unless the context otherwise requires, words and expressions defined, and references construed, in the Security Trust Deed (as defined below) and not otherwise defined or construed in this document have the same meanings and constructions when used in this document.

1.2 In addition, unless the context otherwise requires:

**Agreement** means an agreement or arrangement between a Grantor and the Security Trustee (whether or not other persons are parties to it) relating to the Secured Money.

**Collateral** means all of each Grantor's present and future assets (and includes any part of it).

**Environmental Event** means:

- (a) a proceeding, investigation or claim against a Grantor or any of its Subsidiaries;
- (b) a requirement that a Grantor or any of its Subsidiaries incur expenditure; or
- (c) a requirement that a Grantor or any of its Subsidiaries cease or change an activity carried on by it,

in connection with an Environmental Law where the proceeding, investigation or claim, expenditure or requirement has had or is likely to have a Material Adverse Effect.

**Environmental Law** means any law relating to the environment, land or water use, noise, smell, pollution or contamination, toxic or hazardous substances, pollutants, waste disposal or conservation of natural resources and resource allocation, heritage or health and safety (including the Resource Management Act 1991, the Hazardous Substances and New Organisms Act 1996, the Building Act 2004 and the Health and Safety in Employment Act 1992) and any consent, order or notice under such law.

**Material Adverse Effect** means a material adverse effect on:

- (a) a Grantor's ability to comply with its obligations under any Transaction Document;

- (b) the value of the property secured by a Security;
- (c) the Security Trustee's rights under a Transaction Document;
- (d) the business or financial condition of a Grantor;
- (e) the effectiveness or priority of any Security; or
- (f) the validity or enforceability of any Transaction Document.

**PLA** means the Property Law Act 2007.

**PPSA** means the Personal Property Securities Act 1999.

**Receiver** means a receiver, or receiver and manager, appointed by the Security Trustee under this document.

**Security Trust Deed** means the deed entitled "Security Trust Deed – CBL Corporation Security Trust" dated on or about the date of this document between, among others, the Grantors and the Security Trustee.

**Works** means building work, excavation or earthworks on the Collateral, work demolishing, removing or altering any part of the Collateral, or any building or development work required by an authority in connection with the Collateral.

**1.3 PPSA references:** The expressions **accession, account debtor, account receivable, after-acquired property, attach, financing statement, future advance, goods, intangible, inventory, proceeds, purchase money security interest, security interest** and **value** have the respective meanings given to them under, or in the context of, the PPSA.

**1.4 General references:** Except to the extent that the context otherwise requires, any reference in this document to:

an **asset** includes:

- (a) anything that is capable of being owned, whether it is real or personal property, and whether it is tangible or intangible property (**property**);
- (b) (without limiting the above) any estate, interest or right in any property; and
- (c) (without limiting the above) any right, benefit or undertaking.

one person being **controlled** by another means that the other person (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove a majority of the members of the governing body of that person, or to appoint a member or members of the governing body of that person who is or are in a position to cast, or control the casting of, more than one half of the maximum number of votes that might be cast at a meeting of that governing body, or otherwise controls or has power to control the affairs and policies of that person, or

is in a position to derive the whole or a substantial part of the benefit of the existence or activities of that person, and **control** shall be construed accordingly.

**disposal** includes any sale, assignment, exchange, transfer, concession, loan, lease, surrender, licence, reservation, waiver, compromise, release, dealing or parting with possession, or the granting of any option, right or interest whatever, or any agreement for any of the same (but excludes any transaction which is a security), and **dispose** means to make a disposal, and **acquisition** and **acquire** shall be construed accordingly.

the **dissolution** of a person includes the liquidation or bankruptcy of that person, or (where that person is a company) its removal from the register, and any equivalent or analogous procedure under the laws of any relevant jurisdiction.

**\$ or dollar** is to New Zealand currency.

**expenses** includes all expenses, losses, claims, costs (including legal costs on a solicitor and own client basis), disbursements, taxes, travel expenses, out of pocket expenses, and audit, investigative or administrative costs.

**financial statements** includes statements of financial position, financial performance, movements in equity and cash flows, and the notes relating thereto.

a **guarantee** includes an indemnity, letter of credit, suretyship and any other agreement the economic effect of which is to assume responsibility for the indebtedness, other obligations, or solvency or financial condition, of a person.

**indebtedness** includes any obligation (whether present or future, actual or contingent, secured or unsecured, several or joint and several, as principal or surety or otherwise) for the payment or repayment of money.

a **law** includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, by-law, statute, treaty or other legislative measure.

a **person** includes an individual, firm, company, corporation, unincorporated body of persons, organisation or trust, and any government, governmental agency or authority, in each case whether or not having separate legal personality.

**personal property** means any personal property or any rights in any personal property, in either case to which the PPSA applies.

a **right** includes any right, power, remedy, authority or discretion.

a **security** includes:

- (a) any mortgage, charge, encumbrance, lien, pledge, finance lease, sale (or lease) and lease-back, sale and repurchase, assignment by way of security, title retention arrangement or similar interest imposed by statute, or other arrangement of any nature having similar economic effect to any of the foregoing; and

- (b) any present or future right or interest in personal property that is a security interest for the purposes of the PPSA.

**subsists** or any similar expression in relation to an Event of Default indicates an Event of Default which has not been remedied or waived in accordance with the terms of the relevant document.

**tax** includes any present or future tax, levy, impost, duty, rate, charge, fee, deduction or withholding of any nature and whatever called, imposed or levied by any government, governmental agency or authority, together with any interest, penalty, charge, fee or other amount imposed or made on, or in relation to, any of the foregoing.

**upon demand** means upon demand by notice in writing signed by or on behalf of the Security Trustee.

**written and in writing** include all means of reproducing words in a tangible and permanently visible form.

#### 1.5 **Miscellaneous:**

- (a) Headings are inserted for convenience only and do not affect interpretation of this document.
- (b) Unless the context otherwise requires, the singular includes the plural and vice versa and words denoting individuals include other persons and vice versa.
- (c) A reference to any legislation includes any statutory regulations, rules, orders or instruments made or issued pursuant to that legislation and any amendment to, re-enactment of, or replacement of, that legislation.
- (d) References to any document (however described) shall include references to that document as modified, novated, supplemented, varied or replaced from time to time.
- (e) References to any party to this document or any other document shall include its successors or permitted assigns.
- (f) Except where inconsistent with the context, the expression **at any time** also means from time to time.
- (g) The expression **includes** in any form is not a word of limitation.
- (h) All accounting terms used in this document have the meaning given to them under NZ GAAP.

#### 1.6 **Mortgage Debenture:** This document is intended to take effect as a mortgage debenture (as defined in the PLA).

**1.7 Relationship with laws:**

- (a) The covenants, conditions and powers implied in mortgages of goods by section 96 of the PLA do not apply to this document and are negated.
- (b) The covenants, conditions and powers implied in mortgages of land by section 95 of the PLA do not apply to this document and are negated, other than for the following sections of Part 1 of the Second Schedule to the PLA (which will continue to apply):
  - (i) sections 4 through to 10; and
  - (ii) sections 14 through to 17.
- (c) Subject to sub-clauses 1.7(a) and 1.7(b), the rights provided in this document are in addition to, and not exclusive of, any rights provided by law or by any other document.
- (d) If any provision in this document conflicts with the provisions of any law or any provisions implied by any law (after taking account of the implied covenants, conditions and powers negated by sub-clauses 1.7(a) and 1.7(b) of this document) then:
  - (i) if the provisions of or implied by that law may be varied or negated, the provisions of this document will take precedence and the provisions of or implied by that law will be deemed not to apply to this document or to apply only as varied by the provisions of this document;
  - (ii) if the provisions of or implied by that law may not be varied or negated, then the provisions of this document must be read subject to the provisions of or implied by that law.

**1.8 Liability of Security Trustee:** The Security Trustee enters into this document as trustee of the Security Trust and each party to this document agrees that:

- (a) the obligations of the Security Trustee under this document are subject to the terms of the Security Trust Deed; and
- (b) without limiting paragraph (a), clauses 2.1, 2.2, 2.4, 2.5, 2.6, 2.7 and 2.8 of the Security Trust Deed apply to this document as if they were set out in full in this document with any necessary amendments to clause references.

**2. Payment**

**2.1 Payment of Secured Money:** Each Grantor shall pay the Secured Money to the Security Trustee in the manner and at the times agreed upon between the Grantors and the Security Trustee or, failing agreement, upon demand at any time.

- 2.2 **Time for payment:** The Secured Money shall be paid to the Security Trustee for value on its due date or, where that date is not a day on which registered banks are open for business in the place for payment, for value on the immediately succeeding day on which they are so open, in each case unless otherwise provided in any relevant Agreement.
- 2.3 **Appropriation:** All amounts received by the Security Trustee under this document shall be appropriated as between principal, interest and other amounts in such manner as the Security Trustee determines, notwithstanding any rule of law, any purported appropriation made by the Grantors or any other person, or any other matter or circumstance.
- 2.4 **Payments to be free and clear:** The Secured Money shall be paid:
- (a) free and clear of any restriction or condition;
  - (b) free and clear of and (except to the extent required by law) without any deduction or withholding on account of any tax; and
  - (c) without any deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.
- 2.5 **Currency Indemnity:**
- (a) The Secured Money shall be paid in the currency in which it is denominated at the relevant time, unless any relevant Agreement provides otherwise and each Grantor waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due.
  - (b) If any Secured Money is received by the Security Trustee in a currency (**first currency**) other than the currency (**second currency**) in which it is payable (whether as a result of obtaining or enforcing an order or judgment, the dissolution of any person or otherwise), the amount received shall only satisfy the Grantors' obligation to pay the Secured Money to the extent of the amount in the second currency which the Security Trustee is able, in accordance with its usual practice, to purchase with the amount received in the first currency on the date of that receipt (or, if it is not practicable to make that purchase on that date, on the first date upon which it is practicable to do so).
  - (c) Each Grantor indemnifies the Security Trustee against:
    - (i) any loss sustained by the Security Trustee as a result of the amount purchased by it in the second currency pursuant to this clause being less than the amount due; and
    - (ii) all expenses incurred by the Security Trustee in purchasing the second currency,and each Grantor shall pay to the Security Trustee, upon demand, in the currency stipulated by the Security Trustee, all amounts payable pursuant to such indemnity.



### **3. Security**

#### **3.1 Charging clause:** As security for:

- (a) the payment or delivery of the Secured Money; and
- (b) the performance by each Grantor of all the Grantors' other obligations to the Security Trustee at any time,

each Grantor:

- (c) grants to the Security Trustee a charge in and over the Collateral;
- (d) in addition to the security granted under clause 3.1(c), assigns by way of security to the Security Trustee all Collateral which constitutes present or future rights or things in action (but expressly excluding any leasehold interest in land); and
- (e) in addition to the security granted under clause 3.1(c), agrees to mortgage to the Security Trustee all Collateral which constitutes present or future interests in any land.

The security granted under this clause in relation to personal property is:

- (f) a security interest for the purposes of the PPSA; and
- (g) taken in all of each Grantor's present and after-acquired property.

#### **3.2 Nature of charge:** The charge under this document is a fixed charge, except where, but only to the extent that, that charge is not legally and fully effective as a fixed charge, in which event that charge shall be a floating charge. Any floating charge shall become a fixed charge automatically and immediately in respect of the relevant property subject to that floating charge:

- (a) without the need for any notice or act by the Security Trustee, if an Event of Default occurs;
- (b) in respect of any such property specified in any notice which may be given by the Security Trustee to the Grantor at any time if, in the opinion of the Security Trustee, that property is at risk of being seized, taken or becoming subject to any security, or is otherwise in jeopardy.

#### **3.3 Dealings with and disposal of Collateral:**

- (a) Subject to the terms of the Transaction Documents, each Grantor may, at any time, in the ordinary course of business of the Grantor;
  - (i) sell or purchase, or lease (whether as lessor or lessee), inventory; and
  - (ii) collect accounts receivable which are proceeds of inventory.

- (b) No Grantor shall create, allow or permit the creation of, any security over any Collateral (other than the security under this document) other than a purchase money security interest in favour of a seller securing only all or part of the purchase price for personal property which is acquired by that Grantor in the ordinary course of its business.
- (c) No Grantor shall, except as permitted above, dispose of, or permit the disposal of, any Collateral.

**3.4 Further assurance:** Each Grantor shall promptly deliver to the Security Trustee any transfer, assignment, security, instrument, or other document, and shall promptly do any other thing, which the Security Trustee requires in order to:

- (a) perfect the Grantor's title to or rights to or in any Collateral; or
- (b) maintain, perfect, or otherwise give full effect to the security intended to be created under this document, and the priority of that security; or
- (c) facilitate the exercise of any right conferred on the Security Trustee or any Receiver at any time; or
- (d) more satisfactorily secure to the Security Trustee the Secured Money; or
- (e) facilitate the realisation of any Collateral; or
- (f) otherwise to enable the Security Trustee to obtain the full benefit of the provisions of this document.

**3.5 Mortgage:** Without limiting anything in clause 3.4, each Grantor shall, if required by the Security Trustee at any time, immediately:

- (a) grant in favour of the Security Trustee an all obligations mortgage in a form which is commonly used by the Security Trustee at that time (or, if there is no such form, an all obligations form then commonly used by solicitors practicing in Auckland and into which shall be implied all the covenants, conditions and powers implied in mortgages of land by section 95 of the PLA) over such of the Grantor's interests in any land as the Security Trustee may require; and
- (b) deliver to the Security Trustee any document, and do any other thing, which the Security Trustee requires in order to register any such mortgage.

Each Grantor acknowledges and agrees that any such mortgage shall be in substitution for the agreement to mortgage given by the Grantor in clause 3.1, and shall not in any way affect, or limit, the security granted under clause 3.1.

**3.6 Priority:**

- (a) The security granted under this document in personal property has the same priority in respect of all Secured Money, including future advances.

- (b) If the Security Trustee asks, each Grantor agrees to use reasonably endeavours to obtain an agreement acceptable to the Security Trustee regulating priority between the Security Interests created under this document and any other Security Interest over the Collateral.
- (c) For the purposes of sections 91, 92 and 93 of the PLA:
  - (i) Each Grantor acknowledges that this document secures further advances by way of financial accommodation (within the meaning of those sections) up to a stated priority limit; and
  - (ii) the maximum amount for which this document has priority in relation to any subsequent mortgage (within the meaning of the PLA) is \$150,000,000, plus interest (and accordingly such amount is the stated priority limit, within the meaning of the PLA).

This clause is included solely to assist the priority of the Security Trustee. Nothing in this clause is to be construed as limiting the Secured Money, or the amount of the Secured Money.

**3.7 Other securities:**

- (a) This document is collateral to each other security (whenever executed or given) which is at any time held by the Security Trustee in respect of any Secured Money.
- (b) The Security Trustee may exercise any of its rights under this document and any such other security separately or concurrently.
- (c) Nothing in this document shall discharge, abate or prejudice any other security at any time held by the Security Trustee.
- (d) This document is a continuing security and shall operate irrespective of any intervening payment, settlement of account or other matter or thing whatever, until a release has been signed by the Security Trustee and delivered to the Grantor.

**4. PPSA rights**

**4.1 No consent or subordination:** Nothing in this document shall be construed as:

- (a) an agreement to subordinate the security under this document in favour of any person;
- (b) an agreement to defer or postpone the date of attachment of the security created under this document;
- (c) a consent by the Security Trustee to any other security attaching to, or any other security subsisting over, any Collateral; or

- (d) a consent by the Security Trustee to any property that is not Collateral becoming an accession to any Collateral.

**4.2 Verification statement:** Each Grantor waives the right to receive a copy of the verification statement confirming registration of a financing statement or financing change statement relating to the security under this document.

**4.3 Contracting out of PPSA rights:** Each Grantor:

- (a) agrees that nothing in sections 114(1)(a), 133 and 134 of the PPSA shall apply to this document, or the security under this document; and
- (b) waives the Grantor's right to:
  - (i) receive notice of the Security Trustee's proposal to retain any personal property under section 120(2) of the PPSA;
  - (ii) object to the Security Trustee's proposal to retain any personal property under section 121 of the PPSA;
  - (iii) not have goods damaged when the Security Trustee removes an accession under section 125 of the PPSA;
  - (iv) receive notice of the removal of an accession under section 129 of the PPSA; or
  - (v) apply to the Court for an order concerning the removal of an accession under section 131 of the PPSA.

**4.4 Credit (Repossession) Act 1997:** For the avoidance of doubt, nothing in this document shall have the effect of contracting out of any provision of the Credit (Repossession) Act 1997.

## **5. Insurance**

**5.1 Obligation to insure:** Each Grantor shall:

- (a) keep all its insurable assets insured for their full replacement value, against loss or damage by fire, earthquake, theft, burglary, weather damage, marine risks and such other risks as it is prudent to insure against;
- (b) keep all its real property insured for full replacement value against natural disaster damage (as defined in the Earthquake Commission Act 1993);
- (c) maintain adequate public liability insurance and insurance against such other risks as it is prudent to insure against;
- (d) effect and maintain the insurance required by this clause in the joint names of the relevant Grantor and the Security Trustee for their respective rights and interests;

- (e) effect and maintain the insurance required by this clause with insurers approved by the Security Trustee, and, upon request, provide the Security Trustee with particulars of all such insurance and, if requested, copies of the policies;
- (f) promptly pay all premiums and do all such other things as may be necessary to keep in force all insurance required by this clause; and
- (g) not do, or permit to be done or occur, anything which prejudices or may prejudice any insurance over the Collateral.

**5.2 Application of insurance proceeds:** All amounts received under any insurance on the Collateral shall be applied, at the option of the Security Trustee, in or towards reinstatement of the Collateral or satisfaction of the Secured Money.

**5.3 Insurer's certificate:** Each Grantor shall deliver to the Security Trustee at the time this document is signed, annually thereafter, and at such other times as the Security Trustee may require, a certificate (in a form acceptable to the Security Trustee) from the insurers concerned:

- (a) giving details of all insurances affecting the Collateral or otherwise required by this document; and
- (b) confirming that the provisions of clause 5.1 have been complied with in full.

## **6. Undertakings**

**6.1 General undertakings:** Each Grantor agrees:

- (a) **Authorisations:** to obtain, comply with and maintain each authorisation necessary for it to:
  - (i) enter into the Transaction Documents to which it is a party, to comply with its obligations and exercise its rights under them and to allow them to be enforced; and
  - (ii) carry on its business as it is now being carried on to the extent that failure to do so would be likely to have a Material Adverse Effect;
- (b) **Comply with laws:** to comply with all laws binding on, or applicable to, it or the Collateral where failure to comply is likely to have a Material Adverse Effect (and to ensure that each person who uses or occupies the Collateral does the same);
- (c) **Conduct of business and Collateral:**
  - (i) to carry on its business in a proper, orderly and efficient manner and not to cease, or significantly change the general nature of, its business;

- (ii) to maintain the Collateral in good working order and condition (ordinary wear and tear excepted) and correct any defect to the extent that failure to do so would be likely to have a Material Adverse Effect;
  - (iii) to protect the Collateral from theft, loss or damage; and
  - (iv) to not do anything, or permit anything to be done, or fail to do anything, that materially lowers or might materially lower the value of the Collateral;
- (d) **Taxes:**
  - (i) to pay all rates and taxes due and payable by it, except those which it is contesting in good faith; and
  - (ii) to pay all rates and taxes contested in good faith which remain due and payable by it after final determination or settlement of the contest;
- (e) **Notices or orders:** to give the Security Trustee a copy of any notice, order, summons or conviction from, or correspondence with, an authority, involving it or the Collateral which has had or is likely to have a Material Adverse Effect;
- (f) **Works:** to obtain the Security Trustee's consent before the Grantor conducts major Works relating to land or any fixture, structure or improvement on land or fixed to it forming part of the Collateral or enter into a contract to carry them out other than in the ordinary course of the Grantor's ordinary business;
- (g) **Environment:**
  - (i) to implement, maintain and comply in all material respects with an environmental management plan. The plan must include procedures designed to ensure that the Grantor and its Subsidiaries comply with Environmental Law and avoids the occurrence of any circumstance which would be likely to give rise to an Environmental Event;
  - (ii) if any non-compliance by the Grantor or any of its Subsidiaries with an Environmental Law occurs which has had or is likely to have a Material Adverse Effect or any circumstance which is likely to give rise to an Environmental Event occurs, to use its best endeavours to promptly remedy it; and
  - (iii) if the Security Trustee asks, to arrange at its expense an audit of the Grantor and its Subsidiaries' environmental management plan, its compliance with Environmental Law and any circumstance which is likely to give rise to an Environmental Event. The Security Trustee may ask the Grantor to do this if it reasonably suspects that the Grantor is not complying with paragraph (i) or with an Environmental Law, and that the non-compliance has had or is likely to have a Material Adverse Effect;

- (h) **Control:** not to allow any person other than the Security Trustee to have a Security Interest over the Collateral which is perfected by control;
- (i) **Information on certain PPSA property:** to give the Security Trustee details about:
  - (i) any motor vehicle, watercraft, aircraft or intellectual property the Grantor has or acquires that has a value of more than \$1,000,000;
  - (ii) any deposit accounts the Grantor holds with a financial institution other than the Security Trustee where the total credit balance of those deposit accounts is or may become more than \$1,000,000; and
  - (iii) any shares, stock, stock units, interests in a managed investment scheme or other securities, or negotiable instruments, which become owned by the grantor in any capacity or by anyone (including a trustee, nominee, broker or agent) for the Grantor where the value of the shares, stock, stock units, interests in a managed investment scheme or other securities, or negotiable instruments, where the total value of all of them is more than \$1,000,000;
- (j) **Notify interests in land:** to notify the Security Trustee at least 14 days before the Grantor acquires any land or interests in land (such as leases) other than in the ordinary course of the Grantor's ordinary business; and
- (k) **Change of Grantor details:** to notify the Security Trustee at least 14 days before:
  - (i) the Grantor changes its name as recorded in a public register in its jurisdiction of incorporation or in its constituent documents;
  - (ii) any company number or a New Zealand business number allocated to the Grantor changes, is cancelled or otherwise ceases to apply to it (or if it does not have any such applicable number or one is allocated, or otherwise starts to apply, to it); and
  - (iii) the Grantor becomes a trustee of a trust, or a partner in a partnership.

## **7. Representations and warranties**

**7.1 Representations and warranties:** Each Grantor represents and warrants (except in relation to matters disclosed to the Security Trustee and accepted by the Security Trustee in writing) that:

- (a) **Owner of the Collateral:** it is the beneficial owner of, and has good title to, the Collateral free from any Security Interest;
- (b) **Control:** no person other than the Security Trustee has a Security Interest over the Collateral which is perfected by control other than with the consent of the Security Trustee;

- (c) **Status:** it has been incorporated or formed in accordance with the laws of its place of incorporation or formation, is validly existing under those laws and has power and authority to carry on its business as it is now being conducted;
- (d) **Power:** it has power to enter into this document, comply with its obligations under it and to exercise its rights under it;
- (e) **No contravention:** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document do not and will not conflict with:
  - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or
  - (ii) any law binding on or applicable to it or the Collateral;
- (f) **Authorisations:** it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (g) **Validity of obligations:** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms subject to any stamping and registration requirements, applicable equitable principles and laws generally affecting creditors' rights;
- (h) **Benefit:** it benefits by entering into this document; and
- (i) **Security Trustee's rights take priority:** the Security Trustee's rights rank in priority to any claim of the Grantor over the Collateral.

**7.2 Repetition of representations and warranties:** The representations and warranties in this clause 7 are taken to be made (by reference to the then current circumstances):

- (a) on each date on which the Grantor acquires Collateral; and
- (b) on each date on which financial accommodation is provided under the Transaction Documents; and
- (c) every 3 months after the date of this document.

Any disclosure against a representation and warranty does not limit the Security Trustee's rights under this document (including under clause 8).

**7.3 Reliance:** Each Grantor acknowledges that the Security Trustee and each Beneficiary has the benefit of, and has entered into the Transaction Documents to which it is a party in reliance on, the representations and warranties in this clause 7.



## **8. Events of default**

**8.1 When security enforceable:** The security created under, and by, this document shall become enforceable if any Event of Default occurs.

**8.2 Investigation of default:** If the Security Trustee reasonably believes that an Event of Default is or may be continuing, the Security Trustee may:

- (a) appoint a person to investigate and report to the Security Trustee on the affairs, financial condition, assets and business of a Grantor and any of its Subsidiaries;
- (b) inspect the records and assets of a Grantor and any of its Subsidiaries during normal business hours; and
- (c) authorise the appointed person to conduct all searches and enquiries the appointed person considers appropriate in connection with a Grantor and any of its Subsidiaries and their assets.

Each Grantor agrees to co-operate with the appointed person and comply with every reasonable request they make (and ensure that its Subsidiaries, officers, employees, agents and attorneys do the same), including giving them access to all records and assets during normal business hours and giving them any document or other information that they request. Each Grantor agrees, within 3 business days of demand, to pay or reimburse the Security Trustee's expenses in connection with the investigation.

**8.3 Enforcement:** At any time after the occurrence of an Event of Default, the Security Trustee may (without it being necessary to appoint a Receiver under this document or give any prior notice to the Grantor) do all or any of the following:

- (a) declare the Secured Money to be due and payable, whereupon it shall become immediately due and payable;
- (b) sue a Grantor for the Secured Money;
- (c) enter into possession of all or any of the Collateral as mortgagee;
- (d) sell or otherwise dispose of all or any of the Collateral in such manner and generally on such terms and conditions as the Security Trustee thinks desirable; or
- (e) (whether or not a Receiver has been appointed) exercise all or any rights which a person would have if appointed as a Receiver under this document.

The rights of the Security Trustee under this clause are:

- (f) expressly subject to any applicable mandatory provisions of law, including the PLA (and sections 119 and 128 of the PLA if applicable) and the PPSA (and section 114 of the PPSA if applicable); and

- (g) otherwise in addition to any other rights the Security Trustee may have (whether under this document or by law, by any other document or otherwise).

**8.4 Exercise of power of sale:** In respect of any sale, the Security Trustee (subject to any applicable mandatory provisions of law):

- (a) may sell all or any part of the Collateral;
- (b) may sell subject to or free of any security having priority over the security under this document;
- (c) may sell altogether or in lots;
- (d) may sell by public auction or by private contract or partly by one and partly by other of those methods of sale;
- (e) may sell subject to such conditions as to title or evidence of title, time or mode of payment of purchase money, or otherwise as the Security Trustee thinks fit;
- (f) may buy in the Collateral or any part of it at any sale by auction;
- (g) may cancel any contract for sale, may resell the relevant property without being answerable for any loss or diminution in price and may allow or refund to the purchaser any sum which the purchaser may be entitled to upon such cancellation and to that extent may reverse any application of sale proceeds previously made;
- (h) is not responsible for any act or thing done or omitted by any purchaser, and is not obliged to enforce any right under any contract of sale;
- (i) may execute assurances, give effectual receipts for the purchase money and do all such other acts and things for completing the sale as the Security Trustee may think proper; and
- (j) may exercise such other incidental powers in relation to the sale as are conferred upon the Security Trustee (whether under this document or by law, by any other document or otherwise).

## **9. Appointment of receiver**

**9.1 Power to appoint Receiver:** The Security Trustee may (whether or not it has exercised any of its rights under clause 8.3):

- (a) at any time after the occurrence of an Event of Default; or
- (b) at the Grantor's request,

appoint in writing any person or persons (whether an officer of the Security Trustee or the Grantor or not) to be Receiver of all or any of the Collateral. The Security Trustee may

remove any Receiver and may appoint a new Receiver in place of a Receiver who has been removed, retired or died, or in addition to a Receiver already appointed.

- 9.2 **Receiver agent of Grantor:** Every Receiver is the agent of the Grantor, except where (but only to the extent that) the Receiver is required by notice from the Security Trustee to act as agent of the Security Trustee. The Security Trustee is not responsible for a Receiver's actions (including any misconduct, negligence or default of a Receiver).

9.3 **Powers of Receiver:**

- (a) A Receiver has the power to do all things in relation to the Collateral and the Grantor's business as if the Receiver had absolute ownership of the Collateral and carried on the Grantor's business for the Receiver's own benefit.
- (b) The rights of a Receiver under this clause are:
  - (i) in addition to any other right to which that Receiver is at any time entitled (whether under this document or by law, by any other document or otherwise); and
  - (ii) subject to any specific terms of appointment of that Receiver.

- 9.4 **Remuneration of Receiver:** The Security Trustee may fix the remuneration of a Receiver at an amount, or on a basis, agreed with the Receiver or, failing agreement, as determined by the Security Trustee. All remuneration payable to any Receiver shall be payable by the Grantor upon demand, and shall form part of the Secured Money.

- 9.5 **Priority of Law:** The provisions of this section are expressly subject to any applicable mandatory provisions of law, including the Receiverships Act 1993 and the PLA.

## 10. Application of amounts

- 10.1 **Application of proceeds:** All amounts received or recovered, or applied, by the Security Trustee or any Receiver from the security created under this document will be applied towards paying the Secured Money in accordance with the order of priority specified in the Security Trust Deed. This clause is subject to:

- (a) any claims ranking in priority to the security created under this document; and
- (b) any mandatory provisions of law (including, any mandatory provisions of the PPSA and PLA).

- 10.2 **Contingent liabilities:** If any Secured Money is contingently owing or not yet owing at the time any application of money is made, the Security Trustee or any Receiver:

- (a) may retain an amount equal to all or part of the amount of such Secured Money;

- (b) will place that retained amount in an interest bearing deposit account until such Secured Money becomes actually due and payable or ceases to be contingently owing;
- (c) will pay to the Security Trustee from the amount retained, all amounts which become actually due and payable after that time; and
- (d) will apply the balance of the amount retained, together with interest earned whilst on deposit, in accordance with clause 10.1.

## **11. Other rights, powers and protections**

**11.1 Purchaser or other person:** No purchaser or other person dealing with the Security Trustee or a Receiver, or with any agent or attorney of the Security Trustee or a Receiver, shall be concerned:

- (a) to enquire:
  - (i) whether the security created by this document has become enforceable;
  - (ii) whether a Receiver has been properly appointed;
  - (iii) whether the powers which the Security Trustee, Receiver, agent or attorney, as the case may be, is purporting to exercise have become exercisable;
  - (iv) as to the necessity for, or the expediency of, the stipulations or conditions subject to which any sale, lease or security is made or given; or
  - (v) otherwise as to the propriety or regularity of any sale, lease, security, calling in, collection or conversion of any money or asset; or
- (b) to see to the application of any amount paid to the Security Trustee or a Receiver, agent or attorney, as the case may be.

**11.2 Right to remedy breach:** Whenever a Grantor fails to comply with any obligation under this document, the Security Trustee may (without prejudice to its other rights) pay all amounts and do all such other things as it deems necessary or desirable to remedy any such default or otherwise protect the security created by this document.

**11.3 Damages only remedy:** The remedy of a Grantor in respect of any actionable impropriety or irregularity in the exercise, or purported exercise, of any rights by the Security Trustee, a Receiver or an agent or attorney of the Security Trustee or a Receiver, shall be in damages only.

**11.4 Proceeds of sale:** If the Security Trustee or a Receiver sells any Collateral pursuant to this document or otherwise, the Security Trustee or Receiver shall be accountable only for any purchase money which that person actually receives.

- 11.5 No liability:** To the maximum extent permitted by law, neither the Security Trustee nor a Receiver shall be accountable for any losses which may occur in, or as a result of, the exercise, purported exercise or non-exercise of any of their rights, and any such losses which are borne by the Security Trustee or a Receiver shall form part of the Secured Money.
- 11.6 Indemnity:** The Security Trustee and a Receiver shall be entitled to be indemnified out of the revenue from, or proceeds of sale of, the Collateral against all expenses or liabilities sustained or incurred in the exercise, purported exercise or non-exercise of any of their rights, including any expense or liability consequent upon any mistake or error of judgment by the Security Trustee or Receiver.

## **12. Set-off**

- 12.1** Without prejudice, and in addition, to any right of set-off, combination of accounts, lien or other right to which the Security Trustee is at any time entitled (whether by law, contract or otherwise) the Security Trustee may at any time after the occurrence of an Event of Default, without prior notice or demand, apply any amount owed or to become owing by the Security Trustee to the Grantor in or towards satisfaction of any Secured Money and for such purpose is authorised to accelerate the date for payment of any amount owing by the Security Trustee to the Grantor, notwithstanding the terms upon which such amount is owing.

## **13. Attorney**

- 13.1 Appointment:** For the purpose of enabling the Security Trustee to obtain the full benefit of this document the Grantor (for valuable consideration received, as is acknowledged by the Grantor) irrevocably appoints the Security Trustee, every officer of the Security Trustee and every Receiver, individually, to be the attorney of the Grantor (**Attorney**).
- 13.2 Extent of power:** Each Attorney may:
- (a) on behalf of the Grantor, in its name or otherwise, and at its expense do anything which the Grantor agrees to do under the provisions of this document or which, in the Attorney's opinion, is necessary or expedient to give effect to any right conferred on the Security Trustee or a Receiver by this document, by law or otherwise (including executing deeds and instituting, conducting and defending legal proceedings);
  - (b) delegate the Attorney's powers (including this power of delegation) to any person for any period, and revoke a delegation; and
  - (c) exercise or concur in exercising the Attorney's powers even if the Attorney has a conflict of duty in doing so, or has a direct or personal interest in the means or result of that exercise of such powers.
- 13.3 Ratification:** The Grantor hereby ratifies anything done by any Attorney or delegate in accordance with this section.

## **14. Notices**

**14.1 Form of communications:** Unless expressly stated otherwise in this document, all notices, certificates, consents, approvals, waivers and other communications in connection with this document must be in writing, signed by the sender (if an individual) or an Authorised Officer of the sender. Communications sent by email are taken to be signed by the named sender.

**14.2 Receipt of notice:** Unless expressly stated otherwise in this document, communications shall be deemed to be received (whether or not actually received):

- (a) in the case of electronic mail:
  - (i) when the sender receives an automated message confirming delivery; or
  - (ii) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,whichever happens first;
- (b) in the case of a facsimile, on the date of despatch or, if despatched after 5pm on a working day (in the place of receipt) or on a non-working day, on the next working day (in the place of receipt) after the date of despatch; and
- (c) in the case of a prepaid letter, on the third working day after posting.

## **15. Costs and expenses**

**15.1 Costs and expenses:** The Grantor shall pay to the Security Trustee upon demand an amount equal to all expenses on a full indemnity basis incurred or sustained by the Security Trustee in connection with:

- (a) the negotiation, preparation, signing, delivery, administration and release of this document and each other Transaction Document;
- (b) the exercise, enforcement or preservation, or attempted exercise, enforcement or preservation, of any rights under a Transaction Document, or in suing for or recovering any Secured Money; and
- (c) the granting of any waiver or consent under, or the giving of any variation or release of, any Transaction Document.

**15.2 Stamp duty and taxes:** The Grantor shall pay all stamp, documentary, transaction, registration and other like duties and taxes (including fines, interest and penalties), if any, which may be payable or determined to be payable in connection with the signing, delivery, registration, performance, exercise of any rights under,, or enforcement or variation of, each

Transaction Document, and shall indemnify the Security Trustee against all liabilities with respect to, or resulting from, any delay or omission to pay any such duties or taxes.

- 15.3 **GST exclusive:** If any supply by the Security Trustee to the Grantor shall, at the time of supply, be subject to goods and services tax, the Grantor shall pay to the Security Trustee an amount equal to the applicable goods and services tax in addition to the consideration for that supply.

## **16. Release and reinstatement**

- 16.1 **Release:** The Security Trustee shall not be obliged to sign or deliver a release of this document, or to release any Collateral from this document, unless the Security Trustee is satisfied that:

- (a) it has received all of the Secured Money; and
- (b) no payment received, or to be received, by the Security Trustee may be avoided, or required to be repaid by the Security Trustee, under any law relating to insolvency.

- 16.2 **Reinstatement:** If any payment received or recovered by the Security Trustee, a Receiver, or any other person on behalf of the Security Trustee is or may be avoided by law:

- (a) such payment shall be deemed not to have affected or discharged the liability of a Grantor under this document or any other security given by the Grantor in favour of the Security Trustee and the Security Trustee and the Grantor shall, to the maximum extent permitted by law, be restored to the position in which each would have been if such payment had not been received or recovered; and
- (b) the Security Trustee shall be entitled to exercise all its rights which it would have been entitled to exercise if such payment had not been received or recovered,

notwithstanding that the Security Trustee may have signed a release pursuant to this section.

## **17. Miscellaneous**

- 17.1 **Partial invalidity:** If at any time any provision of this document is or becomes illegal, invalid, void or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this document; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this document.

**17.2 Waiver:**

- (a) Failure on the part of the Security Trustee to exercise or enforce, or a delay on the part of the Security Trustee in exercising or enforcing, or the partial exercise or enforcement on the part of the Security Trustee of, any right provided by law or under this document does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, provided by law or under this document.
- (b) No waiver of a breach of any provision of this document operates as a waiver of another breach of that provision or of a breach of any other provision of this document.
- (c) A waiver given by the Security Trustee under this document is only effective and binding on the Security Trustee if it is given or confirmed in writing by the Security Trustee.

**17.3 Assignment:** Subject to the provisions of any Transaction Document the Security Trustee may:

- (d) assign and transfer all or any of its rights and obligations under this document to any person or persons; and
- (e) disclose any information it may have concerning the Grantor and any Subsidiaries to a potential assignee or any other person with whom it may wish to enter into contractual relations in connection with this document.

**17.4 Obligations independent:** Each of the obligations of the Grantor under 2.5, 11.6 and 15 shall constitute a continuing obligation, separate and independent from its other obligations under this document and shall survive payment of the Secured Money and release of this document.

**17.5 Enforcement:** It shall not be necessary for the Security Trustee to incur any expense or make any payment before enforcing any of its rights in respect of any obligation of the Grantor referred to in clause 17.3.

**17.6 No merger:** The Security Trustee's right to payment of any Secured Money (including under any negotiable instrument or Agreement) shall not merge in the Grantor's obligation to pay that Secured Money under this document.

**17.7 Conflict of provisions:** In the event of a conflict between a provision of this document and a provision of any other Transaction Document, the Security Trustee may, in its absolute discretion, determine which shall prevail.

**17.8 Certificates:** A certificate of the Security Trustee as to any amount or fact which might reasonably be expected to be within the Security Trustee's knowledge shall be prima facie evidence of that amount or fact.



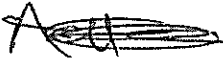
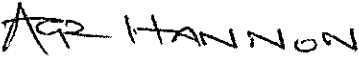
- 17.9     **Consents:** The Security Trustee or a Receiver may give or withhold any approval or consent in that person's absolute discretion, and either conditionally or unconditionally.

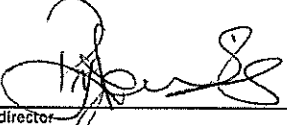
## **18.     Governing law and jurisdiction**

- 18.1     This document shall be governed by, and construed in accordance with, the laws of New Zealand, and the parties hereby submit to the jurisdiction of the courts of New Zealand.
-

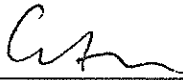
Executed as a deed


Signed by CBL Corporation Limited by:

  
\_\_\_\_\_  
Signature of director  
  
\_\_\_\_\_  
Name of director

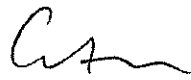
  
\_\_\_\_\_  
Signature of director  
PETER HARRIS  
\_\_\_\_\_  
Name of director


Signed by LBC Holdings New Zealand Limited by:

  
\_\_\_\_\_  
Signature of witness  
\_\_\_\_\_  
Name of witness  
Christopher Leslie Ashton  
Solicitor  
Auckland  
\_\_\_\_\_  
Occupation  
\_\_\_\_\_  
City/town of residence

  
\_\_\_\_\_  
Signature of director  
Gordon Mubwandira  
\_\_\_\_\_  
Name of director


Signed by LBC Holdings Europe Limited by:


  
\_\_\_\_\_  
Signature of witness  
\_\_\_\_\_  
Name of witness  
Christopher Leslie Ashton  
Solicitor  
Auckland  
\_\_\_\_\_  
Occupation  
\_\_\_\_\_  
City/town of residence

  
\_\_\_\_\_  
Signature of director  
Gordon Mubwandira  
\_\_\_\_\_  
Name of director

Signed by LBC Holdings UK Limited by:

  
\_\_\_\_\_  
Signature of director

  
\_\_\_\_\_  
Name of director

  
\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness Christopher Leslie Ashton  
Solicitor  
Auckland

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
City/town of residence

Signed under the name and seal of Permanent  
Custodians Limited in its capacity as trustee of CBL  
Corporation Security Trust by:

\_\_\_\_\_  
Signature of attorney

\_\_\_\_\_  
Signature of attorney

\_\_\_\_\_  
Name of attorney

\_\_\_\_\_  
Name of attorney

\_\_\_\_\_  
Witness to both signatures

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
City/town of residence

Signed by LBC Holdings UK Limited by:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

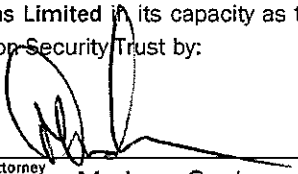
\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
City/town of residence

Signed under the name and seal of Permanent  
Custodians Limited in its capacity as trustee of CBL  
Corporation Security Trust by:

  
\_\_\_\_\_  
Signature of attorney

Marjana Cvetanoska  
Managing Director

\_\_\_\_\_  
Name of attorney

\_\_\_\_\_  
Signature of attorney

\_\_\_\_\_  
Name of attorney

\_\_\_\_\_  
Witness to both signatures

Jean Louie

\_\_\_\_\_  
Name of witness

BNY Mellon

\_\_\_\_\_  
Occupation Level 2, 35 Clarence Street  
Sydney, NSW, 2000

\_\_\_\_\_  
City/town of residence

## Schedule - Grantors

Company name	Company number
CBL Corporation Limited	3888838
LBC Holdings New Zealand Limited	4772359
LBC Holdings Europe Limited	4774919
LBC Holdings UK Limited	4774859

# Security Trust Deed – CBL Corporation Security Trust

Dated 15 April 2014

CBL Corporation Limited (New Zealand company number 3888838))  
("Issuer" and a "Security Provider")

Each person listed in Schedule 1 ("Security Providers") ((each a  
"Security Provider", and together with the Issuer, the "Security  
Providers")

Permanent Custodians Limited (ABN 55 001 426 384) ("Security  
Trustee")

# Security Trust Deed – CBL Corporation

## Security Trust

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# Security Trust Deed – CBL Corporation

## Security Trust

### Details

<b>Parties</b>		
<b>Security Providers and Security Trustee</b>		
<b>Issuer</b>	<b>Name</b>	<b>CBL Corporation Limited</b>
	<b>Incorporated in</b>	Incorporated with limited liability in New Zealand with company number 3888838
	<b>Address</b>	Level 8 Tower One, Shortland Centre 51 Shortland Street Auckland 1010 New Zealand
	<b>Fax</b>	+ 64 9 300 5046
	<b>Telephone</b>	+ 64 9 303 4770
	<b>Attention</b>	Chief Financial Officer
<b>Security Providers</b>	The Issuer and each person listed in Schedule 1 ("Security Providers").	
<b>Security Trustee</b>	<b>Name</b>	<b>Permanent Custodians Limited</b>
	<b>ABN</b>	55 001 426 384
	<b>Address</b>	Level 2 35 Clarence Street Sydney NSW 2000 Australia
	<b>Fax</b>	+ 61 2 9551 5009
	<b>Telephone</b>	+ 61 2 9551 5000
	<b>Attention</b>	Global Client Services
<b>Governing law</b>	New South Wales	
<b>Date of deed</b>	15 April 2014	

# Security Trust Deed – CBL Corporation

## Security Trust

### General terms

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## 1 Definitions and interpretation

### 1.1 Definitions

The following definitions apply unless the context requires otherwise.

**Accession Letter** means a letter substantially in the form set out in Schedule 2 ("Form of Accession Letter") or such other form as agreed by the Security Trustee.

**Additional Security Provider** means a person who becomes an Additional Security Provider in accordance with clause 12.2.

**Agency Agreement** has the meaning given in the Conditions.

**Agent** has the meaning given in the Conditions.

**Attorney** means any attorney appointed under this deed, any Security or any Collateral Security.

**Authorised Officer** means:

- (a) in respect of the Security Trustee:
  - (i) a director or company secretary of the Security Trustee, or an officer or employee of the Security Trustee whose title contains the word "treasurer", "director", "chief", "head", "president", "manager" or "counsel" or a person performing the functions of any of them; and
  - (ii) any person nominated by the Security Trustee as an Authorised Officer of the Security Trustee for the purposes of the Transaction Document;
- (b) in respect of a Security Provider, a director or secretary of the Security Provider or any other person from time to time nominated as an Authorised Officer of the Security Provider by a notice to the Security Trustee accompanied by certified copies of signatures of all new persons so appointed and in respect of which:
  - (i) the identity of that person has been verified to the Security Trustee satisfaction in order to manage its know your customer checks; and
  - (ii) the Security Trustee has not received notice of revocation of the appointment; and
- (c) in respect of a Beneficiary, any person whose title or acting title includes the word Manager (but not assistant manager), Director, Head, Associate, Counsel or President, any secretary or director or any solicitor acting on behalf of an Beneficiary.

**Beneficiary** means:

- (a) the Security Trustee;
- (b) the Note Trustee;
- (c) each Agent;
- (d) a Noteholder; or
- (e) any other person which the Security Trustee (acting on the instructions of the Beneficiaries by way of Special Resolution) acknowledge is a Beneficiary for the purposes of this definition and who assumes the obligations of, and becomes bound as, a Beneficiary in accordance with this deed,

but excludes any person who has ceased to be a "Beneficiary" in accordance with this deed.

**Business Day** means a day (not being a Saturday, Sunday or public holiday in that place) on which banks are open for general banking business in Sydney and Auckland.

**Collateral Security** means any Security Interest, Guarantee or other document or agreement at any time created or entered into in favour of the Security Trustee as security for any Secured Money.

**Conditions** means the conditions of that Note as set out in the Information Memorandum and references to a numbered "**Condition**" shall be construed accordingly.

**Costs** includes costs, charges, expenses and fees, including those incurred in connection with advisers, and any legal costs on a full indemnity basis.

**Event of Default** means the happening of any event set out in Condition 14 ("Events of Default").

**Exposure** means, in relation to a Beneficiary at any time (but without double counting), the aggregate of:

- (a) in respect of the Security Trustee or a Representative, the Secured Money which any Security Provider is at that time actually or contingently liable to pay to or for the account of it (but not, in the case of the Security Trustee or any other Representative of another Beneficiary, Secured Money payable to it for the account of another Beneficiary) under a Transaction Document; and
- (b) in the case of a Beneficiary who is a Noteholder, the aggregate outstanding principal amount of Notes held by it.

**General Security Agreement** means any general security agreement granted by the Security Provider in favour of the Security Trustee to secure the Secured Money.

**Government Agency** means any government or any governmental, semi-governmental, intergovernmental, supranational or judicial entity or authority. It also includes any self-regulatory organisation established under statute or any stock exchange.

**Guarantee** means any guarantee, indemnity, letter of credit, legally binding letter of comfort or suretyship. It includes any other obligation or irrevocable offer (whatever called and of whatever nature):

- (a) to pay or to purchase;
- (b) to provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets, rights or services, or otherwise) for the payment or discharge of;
- (c) to indemnify against the consequences of default in the payment of; or
- (d) to be responsible otherwise for,

an obligation or debt of another person, a dividend, distribution, capital or premium on shares, stock or other interests, or the solvency or financial condition of another person.

**Information Memorandum** means:

- (a) the information memorandum to be dated on or about 15 April 2014 or the then latest information memorandum which replaces that document; or
- (b) the information or other offering document referred to in a Pricing Supplement,

in each case prepared by, or on behalf of, and approved by the Issuer in connection with the issue of Notes and all documents incorporated by reference in it, including any applicable Pricing Supplement and any other amendments or supplements to it.

A person is **Insolvent** if:

- (a) it declares (or states that it has been declared) bankrupt or insolvent, is unable to pay its debts when they fall due, or is presumed unable to pay its debts in accordance with section 287 of the Companies Act 1993 of New Zealand;
- (b) it enters into dealings with any of its creditors with a view to avoiding, or in expectation of, insolvency;
- (c) it makes a general assignment or an arrangement, compromise or composition with or for the benefit of any of its creditors;
- (d) it stops or threatens to stop payments generally; or
- (e) something having a substantially similar effect to paragraphs (a) to (d) above happens in connection with that person under the law of any jurisdiction.

**Issuer** means CBL Corporation Limited, a company incorporated under the Companies Act 1993 of New Zealand with company number 3888838.

**Leased Property** means any real property of which a Security Provider is the lessee.

**Liquidation** includes receivership, compromise, arrangement, amalgamation, administration, reconstruction (except with the consent of the Security Trustee), winding up, dissolution, assignment for the benefit of creditors, bankruptcy or death.

**Meeting Provisions** means the provisions for meetings of the Beneficiaries set out in Schedule 4 ("Meeting Provisions").

**Mortgaged Real Property** means any real property the subject of a Security Interest granted or to be granted by any Security Provider (whether alone or not) in favour of the Security Trustee to secure the Secured Money.

**Note** means a medium term debt obligation issued, or to be issued, by the Issuer which is constituted by, and owing under, this deed, the details of which are recorded in, and evidenced by, entry in the Register.

**Noteholder** means, in respect of a Note, means the person whose name is entered on the Register as the holder of that Note.

**Note Trust Deed** means the "Note Trust Deed" dated 15 April 2014 between the Issuer, the Security Providers and the Note Trustee.

**Note Trustee** means BNY Trust Company of Australia Limited (ABN 49 050 294 052) or any person who becomes the "Note Trustee" under the Note Trust Deed.

**NZ GAAP** means generally accepted accounting practice in New Zealand as defined in section 3 of the Financial Reporting Act 1993 of New Zealand or, in relation to each financial year that commences on or after 1 April 2014, section 8 of the Financial Report Act 2014 of New Zealand (as applicable);

**NZ PPSA** means the *Personal Property Securities Act 1999* of New Zealand;

**Ordinary Resolutions** means:

- (a) a resolution passed at a meeting of Beneficiaries by at least 50 per cent. of the votes cast; or
- (b) a Circulating Resolution made in accordance with paragraph 10.1(a) ("Passing resolutions by Circulating Resolution") of the Meetings Provisions.

**Power** means a power, right, authority, discretion or remedy which is conferred on a Beneficiary or a Receiver or Attorney:

- (a) by any Transaction Document; or
- (b) by law in relation to any Transaction Document.

**PPS Law** means:

- (a) the NZ PPSA (**PPS Act**) and any regulation made at any time under the PPS Act (as amended from time to time); and
- (b) any amendment made at any time to any other legislation as a consequence of any law or regulation referred to in paragraph (a).

**Pricing Supplement** has the meaning given in the Conditions.

**Real Property Mortgage** means each mortgage of any of the Mortgaged Real Property.

**Receiver** means a receiver or receiver and manager appointed under any Security.

**Register** has the meaning given in the Conditions.

**Related Entity** means an entity which is related within the meaning of s50 of the Corporations Act 2001, but as if "subsidiary" has the meaning given in this deed and body corporate includes any entity (including a trust).

**Representative** means the Note Trustee or any other representative nominated by a Beneficiary as a representative on its behalf.

**Represented Beneficiary** means a Beneficiary with respect to which there is a Representative.

**Resignation Letter** means a letter substantially in the form set out in Schedule 3 ("Form of Resignation Letter") or such other form as agreed by the Security Trustee.

**Secured Money** means all money which:

at any time;

for any reason or circumstance in connection with the Transaction Documents (including transactions in connection with them);

whether arising under law or otherwise (including liquidated or unliquidated damages for default or breach of any obligation); and

whether or not of a type within the contemplation of the parties at the date of this deed:

- (a) a Security Provider is or may become actually or contingently liable to pay to a Beneficiary; or
- (b) a Beneficiary has advanced or paid on a Security Provider's behalf or at a Security Provider's express or implied request; or
- (c) a Beneficiary is liable to pay by reason of any act or omission on a Security Provider's part or that the Beneficiary has paid or advanced in protecting or maintaining the Secured Property or a Transaction Document following an act or omission on a Security Provider's part; or
- (d) a Security Provider would have been liable to pay the Beneficiary but the amount remains unpaid by reason of the Security Provider's Insolvency.

This definition applies:

- (i) irrespective of the capacity in which the Security Provider or the Beneficiary became entitled to, or liable in respect of, the amount concerned;
- (ii) whether the Security Provider or the Beneficiary is liable as principal debtor, as surety, or otherwise;
- (iii) whether the Security Provider is liable alone, or together with another person;
- (iv) even if the Security Provider owes an amount or obligation to the Beneficiary because it was assigned to the Beneficiary, whether or not:
  - (A) the assignment was before, at the same time as, or after the date of this deed; or

- (B) the Security Provider consented to or was aware of the assignment; or
- (C) the assigned obligation was secured before the assignment;
- (v) even if a Transaction Document was assigned to the Beneficiary, whether or not:
  - (A) the Security Provider consented to or was aware of the assignment; or
  - (B) any of the Secured Money was previously unsecured; or
- (vi) if the Security Provider is a trustee, whether or not it has a right of indemnity from the trust fund.

**Secured Property** means the property mortgaged or charged by a Security.

**Security** means:

- (a) each General Security Agreement;
- (b) each Specific Security Agreement;
- (c) each Real Property Mortgage; and
- (d) a Collateral Security.

**Security Interest** means any:

- (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, security assignment, assignation of security, trust, power or title retention or flawed deposit arrangement and any other security or preferential interest or arrangement of any kind securing any obligation of any person (including "security interest" as defined in 17(1) of the NZ PPSA); or
- (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or
- (c) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or
- (d) third party right or interest or any right arising as a consequence of the enforcement of a judgment,

or any agreement to create any of them or allow them to exist.

**Security Provider** means the Issuer and each other Security Provider as listed in the Schedule 1 ("Security Providers") and each Additional Security Provider, unless it has ceased to be a Security Provider in accordance with clause 12.3.



**Security Trust** means the trust constituted under clause 3.1 ("Declaration of trust") on the signing of this deed.

**Security Trust Fund** means:

- (a) the amount held by the Security Trustee under clause 3.1 ("Declaration of trust");
- (b) any other property which the Security Trustee receives, has vested in it or otherwise acquires to hold in respect of the Security Trust, including the Security and any Guarantee; and
- (c) any property which represents the proceeds of sale of any such property or proceeds of enforcement of the Security and any Guarantee.

**Special Resolution** means:

- (a) a resolution passed at a meeting of Beneficiaries by at least 66⅔ per cent. of the votes cast; or
- (b) a Circulating Resolution made in accordance with paragraph 10.1(b) ("Passing resolutions by Circulating Resolution") of the Meeting Provisions.

**Specific Security Agreement** means any specific security agreement granted by a Security Provider in favour of the Security Trustee to secure the Secured Money.

**Subsidiary** means, in relation to any person:

- (a) a subsidiary within the meaning of section 5 of the Companies Act 1993 of New Zealand (or any other person which would be a subsidiary of that person if that person and the other person were both registered under the Companies Act 1993 of New Zealand); or
  - (b) a "subsidiary" in accordance with NZ GAAP,
- of that person;

**Tax** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them.

**Transaction Document** means:

- (a) this deed;
- (b) each Agency Agreement;
- (c) each Pricing Supplement;
- (d) the Note Trust Deed;
- (e) a Note;
- (f) any Accession Letter;
- (g) each Security;
- (h) the final, executed fee letter detailing the fee arrangements for the Security Trustee acting as Security Trustee under this deed;

- (i) the final, executed fee letter detailing the fee arrangements for the Note Trustee;
- (j) the final, executed fee letter detailing the fee arrangements for an Agent;
- (k) any document designated as a "Transaction Document" by the Security Trustee (acting on the instructions of all Beneficiaries (other than the Security Trustee)) and the Issuer; and
- (l) a document entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in a paragraph above.

## 1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) Unless the contrary intention appears, any reference in a Transaction Document to:
  - (i) a reference to "assets" or "property" includes any present or future, real or personal, tangible or intangible property, asset or undertaking and any right, interest or benefit under or arising from it;
  - (ii) a "Transaction Document" or any other agreement or instrument is a reference to that Transaction Document or other agreement or instrument as varied, novated, supplemented, extended replaced or reinstated;
  - (iii) a "person" or "entity" includes any person, firm, body corporate, an authority, government, state or agency of a state, or any association, a joint venture, trust or partnership (whether or not having separate legal personality) or any other entity or organisation, or two or more of the foregoing and any reference to a particular person or entity (as so defined) includes a reference to that person's or entity's executors, administrators, successors, substitutes (including by novation) and assigns;
  - (iv) a "regulation" includes any regulation, rule, treaty, official directive, requirement, request, guideline or policy (whether or not having the force of law) of any Government Agency and if not having the force of law, with which responsible entities in the position of the relevant party would normally comply;
  - (v) the meaning of general words is not limited by specific examples introduced by "including", "for example" or "such as" or similar expressions;
  - (vi) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
  - (vii) unless a contrary indication appears, a time of day is a reference to Sydney time;
  - (viii) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;

- (ix) a reference to the word “law” means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them);
  - (x) a reference to “accounting standards” is a reference to NZ GAAP and a reference to an accounting term is a reference to that term as it is used in those accounting standards, or, if not inconsistent with those standards, in generally accepted accounting principles and practices in New Zealand;
  - (xi) a reference to “determines” or “determined” means a determination made in the absolute discretion of the person making the determination unless stated otherwise or if required to act reasonably;
  - (xii) a reference to “enforce”, “enforced” or “enforcement” is taken to include a reference to the meaning given to “Enforce” in the Corporations Act;
  - (xiii) a reference to a group of persons is a reference to any two or more of them jointly and to each of them individually;
  - (xiv) an agreement, representation or warranty in favour of 2 or more persons is for the benefit of them jointly and each of them individually;
  - (xv) a reference to any thing (including an amount) is a reference to the whole and each part of it;
  - (xvi) “know your customer checks” means, with respect to a party, any “know your customer” or other identification checks or procedures of a Beneficiary in order to manage that Beneficiary’s money-laundering or terrorism financing risk or to comply with any anti-money laundering or counter-terrorism financing or economic and trade sanctions laws in Australia or any other country in which the relevant party conducts its business;
  - (xvii) writing and related expressions includes all means of reproducing words in a tangible and permanently visible form; and
  - (xviii) a reference to the Corporations Act is a reference to the Corporations Act 2001 (Cwlth).
- (b) Section, clause and schedule headings are for ease of reference only.
  - (c) An Event of Default is “continuing” if it has not been remedied or waived in writing in accordance with the provisions of the relevant Transaction Document.
  - (d) In the Transaction Documents, the singular includes the plural and vice versa.

### 1.3 Deed poll for benefit of Beneficiaries

In addition to this deed being entered into for the benefit of the parties to it, the deed is also a deed poll given to and for the benefit of each present and future Beneficiary, whether or not presently contemplated or existing, severally. Subject to paragraph 6.3(g) and the other Transaction Documents, each

Beneficiary may separately enforce its rights under this deed. Nothing done or omitted to be done by a Beneficiary in relation to this deed in any way affects the rights of any other Beneficiary.

#### **1.4 PPS Law Terms**

Unless the contrary intention appears, in a Transaction Document, where the following terms are used in the context of a PPS Law, they have the meanings they have in that PPS Law: account, amendment demand, chattel paper, commercial consignment, control, financing statement, financing change statement, perfect, personal property, PPS lease, purchase money security interest, serial number, verification statement.

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## **2 Security Trustee's limit on liability**

### **2.1 Limitation of liability**

- (a) This limitation of the Security Trustee's liability applies despite any other provisions of this deed or the Transaction Documents and extends to all Obligations of the Security Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed or the Transaction Documents and to the extent of any inconsistency between the operation of this clause 2.1 and any other provision of this deed or the Transaction Documents, the terms of this clause 2.1 will prevail.
- (b) The Security Trustee enters into this deed as trustee of the Security Trust and in no other capacity.
- (c) The parties other than the Security Trustee acknowledge that the Security Trustee incurs the Obligations solely in its capacity as trustee of the Security Trust and that the Security Trustee will cease to have any obligation under this deed or the Transaction Documents if the Security Trustee ceases for any reason to be trustee of the Trust.
- (d) Except in the case of and to the extent of fraud, gross negligence or wilful misconduct on the part of the Security Trustee, the Security Trustee will not be liable to pay or satisfy any Obligations except out of the Security Trust Fund against which it is actually indemnified in respect of any liability incurred by it as trustee of the Security Trust.
- (e) Except in the case of and to the extent of fraud, negligence or wilful misconduct on the part of the Security Trustee, the parties other than the Security Trustee may enforce their rights against the Security Trustee arising from non-performance of the Obligations only to the extent of the Security Trustee's right of indemnity out of the Security Trust Fund of the Security Trust.
- (f) Except in the case of and to the extent of fraud, gross negligence or wilful misconduct on the part of the Security Trustee, if any party other than the Security Trustee does not recover all money owing to it arising from non-performance of the Obligations it may not seek to recover the shortfall by:
  - (i) bringing proceedings against the Security Trustee in its personal capacity; or
  - (ii) applying to have the Security Trustee put into administration or wound up or applying to have a receiver or similar person

appointed to the Security Trustee or proving in the administration or winding up of the Security Trustee.

- (g) Except in the case of and to the extent of fraud, gross negligence or wilful misconduct on the part of the Security Trustee, the parties other than the Security Trustee waive their rights and release the Security Trustee from any personal liability whatsoever, in respect of any loss or damage:
  - (i) which they may suffer as a result of any:
    - (A) breach by the Security Trustee of any of its Obligations; or
    - (B) non-performance by the Security Trustee of the Obligations; and
  - (ii) which cannot be paid or satisfied out of the Security Trust Fund of which the Security Trustee is entitled to be indemnified in respect of any liability incurred by it as trustee of the Security Trust.
- (h) The parties other than the Security Trustee acknowledge that the whole of this deed is subject to this clause 2.1 and the Security Trustee shall in no circumstances be required to satisfy any liability of the Trustee arising under, or for non-performance or breach of any Obligations under or in respect of, this deed or under or in respect of any other document to which it is expressed to be a party out of any funds, property or assets other than the Security Trust Fund of the Security Trust under the Security Trustee's control and in its possession as and when they are available to the Security Trustee to be applied in exoneration for such liability PROVIDED THAT if the liability of the Security Trustee is not fully satisfied out of the Security Trust Fund of the Security Trust as referred to in this clause 2.1, the Security Trustee will be liable to pay out of its own funds, property and assets the unsatisfied amount of that liability but only to the extent of the total amount, if any, by which the Security Trust Fund of the Security Trust have been reduced by reasons of fraud, gross negligence or wilful misconduct by the Security Trustee in the performance of the Security Trustee's duties as trustee of the Security Trust.
- (i) The parties agree that no act or omission of the Security Trustee (including any related failure to satisfy any Obligations) will constitute fraud, gross negligence or wilful misconduct of the Security Trustee for the purposes of this clause 2.1 to the extent to which the act or omission was caused or contributed to by any failure of the Issuer or any other person to fulfil its obligations relating to the Security Trust or by any other act or omission of the Issuer or any other person.
- (j) No attorney, agent or other person appointed in accordance with this deed or the Transaction Documents has authority to act on behalf of the Security Trustee in a way which exposes the Security Trustee to any personal liability (except in accordance with the provisions of this clause 2.1), and no act or omission of such a person will be considered fraud, gross negligence or wilful misconduct of the Security Trustee for the purposes of this clause 2.1.
- (k) Notwithstanding any provision of this deed or the Transaction Documents to the contrary, including, without limitation, any indemnity made by the Security Trustee in this deed or the Transaction Documents, the Security Trustee will not in any event be liable for

special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable, even if the Security Trustee has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

- (l) In this clause 2.1, the "**Obligations**" means all obligations and liabilities of whatever kind undertaken or incurred by, or devolving upon, the Security Trustee under or in respect of the Notes, this deed or the Transaction Documents.

## 2.2 Exoneration

None of the Security Trustee nor any of its directors, officers, employees, agents, attorneys, Related Entities or successors is responsible to the Beneficiaries for, or will be liable (or will be taken to be fraudulent, grossly negligent or in wilful misconduct) because:

- (a) any person other than the Security Trustee does not comply with its obligations under the Transaction Documents; or
- (b) of the financial condition of any person other than the Security Trustee; or
- (c) any statement, representation or warranty of any person other than the Security Trustee in a Transaction Document is incorrect or misleading; or
- (d) of any omission from or statement or information contained in any prospectus, information memorandum, offering circular or any advertisement or other document issued in connection with any Notes; or
- (e) of the lack of effectiveness, genuineness, validity, enforceability, admissibility in evidence or sufficiency of the Transaction Documents or any document signed or delivered in connection with the Transaction Documents; or
- (f) of acting, or not acting, in each case in accordance with instructions of Beneficiaries; or
- (g) of acting, or not acting (unless it has been instructed in accordance with the Transaction Documents to act) in good faith in reliance on:
  - (i) any communication or document that the Security Trustee believes to be genuine and correct and to have been signed or sent by the appropriate person;
  - (ii) as to legal, accounting, taxation or other professional matters, on opinions and statements of any legal, accounting or other professional advisers used by it or any other party to the Transaction Documents; or
  - (iii) on the contents of any statements, representation or warranties made or given by any party other than the Security Trustee pursuant to this deed;
- (h) of any error in the Register; or
- (i) of giving priority to a Beneficiary or class of Beneficiaries in accordance with clause 6.1 ("Security Trustee's duties to Beneficiaries").

## **2.3 Indemnity**

Without limiting clause 11 ("Costs and indemnities"), the Security Trustee is entitled to indemnify itself out of the Security Trust Fund against any properly incurred Costs and any claim, loss, damage, judgment, action, suit proceeding or liability made against, or suffered, payable or properly incurred by it as a result of or in relation to any of the following (provided that no such entitlement arises to the extent that the Costs, claim, loss, damage, judgment, action, suit proceeding, liability, fees or expenses was made or was suffered, incurred or payable as a result of the Security Trustee's fraud, gross negligence or wilful misconduct):

- (a) the compliance by it of any of its obligations under this deed or the Transaction Documents;
- (b) the stamping and registration of this deed or any other Transaction Document;
- (c) the exercise, enforcement or preservation, or contemplated or attempted exercise, enforcement or preservation, of any of its rights, remedies or powers as Security Trustee;
- (d) in relation to any matter connected with clause 6.11 ("Dispute or ambiguity");
- (e) any action or omission by it under this deed or the Transaction Documents; or
- (f) anything done or not done by it pursuant to any instruction received from the Beneficiaries in accordance with this deed.

## **2.4 No action against the Security Trustee personally**

The parties may not:

- (a) sue the Security Trustee personally;
- (b) seek the appointment of a liquidator, administrator, receiver or similar person to the Security Trustee; or
- (c) prove in any liquidation, administration or arrangement of or affecting the Security Trustee.

## **2.5 Exception**

Clause 2.1 will not apply to any obligation or liability of the Security Trustee to the extent that it is not satisfied because there is a reduction in the extent, or an extinguishment, of the Security Trustee's indemnification out of the assets of the Security Trust, as a result of the Security Trustee's fraud, gross negligence or wilful misconduct.

## **2.6 Other parties**

No:

- (a) attorney, agent, receiver or receiver and manager appointed in accordance with this deed or any other Transaction Document has authority to act on behalf of the Security Trustee in a way which exposes the Security Trustee to any personal liability and no act or omission of any such person will be considered fraud, gross negligence or wilful misconduct of the Security Trustee; and

- (b) act or omission of the Security Trustee (including any related failure to satisfy its obligations and liabilities under or in connection with this deed or any other Transaction Document) will be considered fraud, gross negligence or wilful misconduct of the Security Trustee to the extent to which the act or omission was caused by any failure by any other party to fulfil its obligations relating to the Security Trust or the Security Trustee.

## **2.7 Extent of exception**

Nothing in clause 2.5 shall make the Security Trustee liable to any claim for an amount greater than the amount which the other parties would have been able to claim and recover from the Security Trust Fund in relation to the relevant liability.

## **2.8 Liability must be limited and must be indemnified**

Despite any other provision of the Transaction Documents, the Security Trustee is not obliged to do or not do any thing in connection with the Transaction Documents (including enter into any transaction, provide any consent or incur any liability) unless:

- (a) the Security Trustee's liability is limited in a manner which is consistent with clause 2;
- (b) it is indemnified or prefunded to its satisfaction against any liability or loss arising from, and any Costs properly incurred in connection with, doing or not doing that thing; and
- (c) it has received the relevant instructions from the relevant Beneficiaries in relation to that act, matter or thing.

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# **3 Declaration of Trust**

## **3.1 Declaration of trust**

The Security Trustee declares that, on signing of this deed, it holds on trust the sum of A\$10, and will hold the Security Trust Fund, on trust at any time for itself and the persons who are Beneficiaries at that time.

## **3.2 Term of trust**

The trust commences on the date of this deed and, unless terminated earlier, ends on the day before the earlier of:

- (a) the 80th anniversary of the date of this deed; and
- (b) the 21st anniversary of the death of the last survivor of the lineal descendants of King George VI living on the date of this deed.

## **3.3 Name of trust**

The trust is to be known as the CBL Corporation Security Trust.

## **3.4 Beneficiaries bound**

The Security Trustee holds the property referred to in clause 3.1 ("Declaration of trust") as trustee on the condition that each Beneficiary and any person claiming through or under a Beneficiary is bound by this deed.



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## **4 Authority**

Each Beneficiary is taken to have:

- (a) irrevocably agreed to the appointment of the Security Trustee as trustee of the Security Trust to undertake the duties set out in this deed and the Transaction Documents in its capacity as trustee of the Security Trust;
- (b) irrevocably authorised the Security Trustee to enter into, execute and deliver this deed and each other Transaction Document it is a party to in its capacity as trustee of the Security Trust;
- (c) irrevocably authorised the Security Trustee in its capacity as trustee of the Security Trust to exercise the powers expressly vested in it under this deed and each other Transaction Document, together with all other powers reasonably incidental to those powers;
- (d) acknowledged that any action by the Security Trustee in accordance with this deed or any other Transaction Document in its capacity as trustee of the Security Trust binds the Beneficiaries; and
- (e) acknowledged that the Security Trustee has not made any representation or given any warranty upon which the Beneficiary has relied, except to the extent expressly set out in this deed. Without limitation, each Beneficiary is taken to have acknowledged that its decision to enter into any Transaction Document or to acquire any Note was made without reliance on any statement, opinion, forecast or other representation (including a representation by omission) by the Security Trustee.

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## **5 Acknowledgement by Security Provider**

Each Security Provider confirms that:

- (a) it has not entered into any Transaction Document in reliance on, or as a result of, any conduct of any kind of, or on behalf of, any Beneficiary or any Related Entity of any Beneficiary (including any advice, warranty, representation or undertaking); and
- (b) neither any Beneficiary nor any Related Entity of any Beneficiary is obliged to do anything (including disclose anything or give advice),

except as expressly set out in the Transaction Documents or in writing duly signed by or on behalf of the Beneficiary or Related Entity.

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## **6 Relationship of parties to Security Trustee**

### **6.1 Security Trustee's duties to Beneficiaries**

The Security Trustee agrees to exercise its rights and comply with its obligations under the Transaction Documents, in each case having regard to:

- (a) the interests of the Beneficiaries as a whole; and
- (b) its fiduciary obligations as trustee of the Security Trust.

If at any time there is a conflict between a duty the Security Trustee owes to a Beneficiary, or class of Beneficiaries, and a duty the Security Trustee owes to

another Beneficiary, or class of Beneficiaries, the Security Trustee must give priority to the Noteholders at that time.

## **6.2 Powers and duties**

- (a) The Security Trustee has all the powers of a natural person or corporation in connection with the exercise of its rights and compliance with its obligations under the Transaction Documents.
- (b) The Security Trustee has no duties or responsibilities except those expressly set out in the Transaction Documents to which it is a party.

## **6.3 Instructions; extent of discretion**

- (a) In the exercise of all rights, powers and discretions under the Transaction Documents the Security Trustee shall act in accordance with the instructions (if any) of the Beneficiaries given by way of Ordinary Resolution, other than where the Transaction Documents expressly require the Security Trustee to act in accordance with the:
  - (i) the unanimous instructions of all Beneficiaries; or
  - (ii) the instructions of the Beneficiaries given by way of Special Resolution.
- (b) In the absence of those instructions, the Security Trustee need not act.
- (c) The following matters require instructions from all Beneficiaries:
  - (i) a change to the definition of Beneficiary, Exposure, Note Trust Deed, Transaction Document, Pricing Supplement, Note Trustee, Noteholder, Secured Money, Secured Property or Security Trustee;
  - (ii) an exercise of any discretion in distributing amounts under clause 9.1;
  - (iii) a change to this clause 6.3 or clause 9.1 ("Distribution by Security Trustee"); and
  - (iv) the release of (either in whole or in part) any Security Interest under a Transaction Document (except where the release is expressly permitted under a Transaction Document or relates to any permitted disposals of Secured Property under or in accordance with the terms of a Transaction Document).
- (d) Any action taken by the Security Trustee in accordance with the Transaction Documents binds all the Beneficiaries.
- (e) When seeking instructions from the Beneficiaries, the Security Trustee may specify in writing a period:
  - (i) as set out in a Transaction Document; or
  - (ii) if not as set out in clause 6.3(e)(i), a period of not more than 10 Business Days or any longer period agreed by the Beneficiaries,within which instructions are to be provided.
- (f) If a Beneficiary does not provide instructions in writing within the period specified it will be disregarded for the purpose only of determining

whether instructions have been given by a specified majority of, or by all, Beneficiaries.

- (g) Unless expressly required otherwise, the Security Trustee is entitled to seek instructions from, give notices to or otherwise deal with the Note Trustee only, and is not required to seek instructions from, give notices to or otherwise deal with the Noteholders. The Security Trustee will be taken to have sought instructions from, given a notice to or otherwise dealt with each relevant Noteholder represented by the Note Trustee.

#### **6.4 After receiving instructions from the Beneficiaries**

- (a) Except as expressly provided in this deed:
  - (i) the Security Trustee need not exercise any of its rights under the this deed or the Transaction Documents, without receiving specific instructions from the Beneficiaries; and
  - (ii) the Beneficiaries may not instruct the Security Trustee:
    - (A) subject to clause 6.4(b) ("After receiving instructions from the Beneficiaries"), how to exercise any of its rights or comply with any of its obligations under this deed or the Transaction Documents; or
    - (B) to do anything that would breach any applicable law or the terms of this deed or the Transaction Documents.
- (b) If the Security Trustee receives an instruction from the Beneficiaries, the Security Trustee agrees, subject to clause 2.1 ("Limitation of liability"), to follow that instruction, but only to the extent that:
  - (i) an Ordinary Resolution or a Special Resolution (as applicable and as required under and in accordance with this deed) has been passed in accordance with the Meeting Provisions;
  - (ii) the instructions are in accordance with this deed; and
  - (iii) do not require the Security Trustee to take any action or not take any action that would breach any applicable law or the terms of this deed or the Transaction Documents.

#### **6.5 Instructions from Beneficiaries**

Except as expressly provided in this deed or the Meeting Provisions, the Beneficiaries may instruct the Security Trustee by Ordinary Resolution.

#### **6.6 Security Trustee's rights in connection with resolutions**

Subject to this clause 6, the Security Trustee may do anything it considers necessary or desirable to give effect to any resolution passed by way of an Ordinary Resolution or Special Resolution (as applicable) (including signing and delivering documents and performing the terms of those documents).

#### **6.7 Meeting Provisions**

The Issuer and the Security Trustee agree to call and hold meetings of Beneficiaries in accordance with the Meeting Provisions.

## **6.8 No obligation to investigate authority**

- (a) The Security Providers need not enquire whether any instructions have been given to the Security Trustee by all Beneficiaries or by Beneficiaries by way of an Ordinary Resolution or Special Resolution or as to the terms of those instructions.
- (b) As between any Security Provider on the one hand and the Security Trustee and the Beneficiaries on the other, all action taken by the Security Trustee under the Transaction Documents will be taken to be authorised.

## **6.9 Delegation**

The Security Trustee may employ agents, contractors and attorneys and may delegate any of its rights, powers, authorities or discretions conferred on it under this deed without notifying any person of the employment or delegation provided that the Security Trustee believes that it is fit, proper and appropriate to so employ, contract, engage or delegate. The Security Trustee is, and at all times remains, liable for:

- (a) the payment of the remuneration, costs and expenses of that agent, contractor, attorney or delegate (provided that nothing in this clause 6.9(a) limits the Security Trustee's right of indemnity under clause 2.3 ("Indemnity"));
- (b) any acts or omissions of any person who is a Related Body Corporate of the Security Trustee which it employs or who acts as its agent contractor, attorney or delegate under this clause 6.9 but only to the extent that the Security Trustee would be liable under clause 2.1 ("Limitation of liability"); and
- (c) any acts or omissions of any person (other than a Related Body Corporate of the Security Trustee) which it employs or who acts as its agent, contractor, attorney or delegate under this clause 6.9 but only if the Security Trustee has not acted in good faith and with all due care in the appointment of such person.

Other than as set out in paragraphs (a), (b) and (c) above, the Security Trustee is not liable to the Issuer or any Beneficiary for any act or omission of any of its agents, contractors, attorneys and delegates.

## **6.10 Reliance on documents and experts**

In relation to any exercise of its rights or powers under the this deed or any Transaction Document, the Security Trustee may rely:

- (a) on any communication or document it has had no reasonable grounds to believe is not genuine and correct and to have been signed or sent by the appropriate person; and
- (b) as to legal, accounting, taxation or other professional matters, on opinions and statements received by it from any legal, accounting, taxation or professional advisers engaged or appointed by it, provided that it reasonably believes the adviser engaged or appointed by it is fit, proper and appropriate,

and the Security Trustee need not:

- (c) call for further evidence other than a certificate, statement, report, balance sheet or account; or

- (d) enquire as to the accuracy of such a document,

(unless there is manifest error on the face of the document of which the Security Trustee is aware) and the Security Trustee will not be responsible for any loss, damage, cost, expense or liability that may be occasioned by relying on such a document.

#### **6.11 Dispute or ambiguity**

- (a) If there is any dispute or ambiguity in relation to any matter connected with the Transaction Documents, the Security Trustee may (but need not) do one or both of the following:
  - (i) obtain and rely on advice from any adviser referred to in clause 6.10(b) ("Reliance on documents and experts"); or
  - (ii) apply to a court for any direction or order the Security Trustee considers appropriate and comply with any such directions or orders.
- (b) As long as the Security Trustee is seeking to resolve any dispute or ambiguity, the Security Trustee may (but need not) refuse to do anything in relation to matters affected by the dispute or ambiguity and will not be liable to the Beneficiaries for so refusing to act.
- (c) Notwithstanding the foregoing, the Security Trustee will not be required to act to resolve any dispute or ambiguity and will not be liable to the Noteholders for so refusing to act if it has not been put into funds to enable it to take either of the actions in accordance with (a)(i) or (a)(ii) of this clause 6.11.

#### **6.12 Notice of transfer**

The Security Trustee may treat each Beneficiary as the holder of that Beneficiary's rights under the Transaction Documents until the Security Trustee has received a notice of assignment (in a form satisfactory to the Security Trustee) of that Beneficiary's rights under the Transaction Documents.

#### **6.13 Notice of Default**

- (a) The Security Trustee will be taken not to have knowledge of any fact or information (including the occurrence of an Event of Default) unless:
  - (i) it has received notice from a Beneficiary or a Security Provider stating that fact or information (and in the case of an Event of Default describing it as such); or
  - (ii) its officers who have day to day responsibility for the transaction have actual awareness of that fact or information.
- (b) If the Security Trustee becomes aware of an Event of Default under subparagraph (a)(i) or (a)(ii) it shall notify the Beneficiaries.

#### **6.14 Security Trustee as Beneficiary and banker**

- (a) The Security Trustee may be a Beneficiary in its personal or any other capacity. Insofar as it is a Beneficiary, the Security Trustee has the same rights and powers under the Transaction Documents as any other Beneficiary. It may exercise them as if it were not acting as the Security Trustee.

- (b) The Security Trustee may engage in any kind of business with any Security Provider as if it were not the Security Trustee. It may receive consideration for services in connection with any Transaction Document and otherwise without having to account to the Beneficiaries.

#### **6.15 Independent investigation of credit**

Each Beneficiary is responsible for having made and continuing to make, independently and without reliance on the Security Trustee or any other Beneficiary, and based on the information which it regards appropriate:

- (a) its own investigations into the affairs of each Security Provider and any other parties it considers relevant; and
- (b) its own analysis and decisions whether to enter the Transaction Documents or to take or not take action under them.

#### **6.16 Security Trustee not liable for documents**

- (a) Each Beneficiary acknowledges that the Security Trustee has not negotiated, and is not under any obligation to negotiate, this deed or any Transaction Document on behalf of, or in the best interests, of any Beneficiary.
- (b) Without limiting clause 2.1 ("Limitation of liability"), the Security Trustee will have no liability arising in connection with any inadequacy, invalidity or unenforceability of any provision of this deed or any other Transaction Document except to the extent that the relevant inadequacy, invalidity or unenforceability arises as a result of any act or omission of the Security Trustee which constitutes fraud, gross negligence and wilful misconduct of the Security Trustee.

#### **6.17 No monitoring**

Notwithstanding any other provisions of, this deed or any other Transaction Document, the Security Trustee is not required:

- (a) to keep itself informed as to the compliance by the Issuer with this deed or any other Transaction Document or any other document or agreement;
- (b) to inspect any property or books of the Issuer or any other party; or
- (c) to consider or provide to any Beneficiary or any other party information with respect to the Issuer or any other party (including if that information has been supplied to the Security Trustee by the Issuer or another party under a Transaction Document) unless:
  - (i) there is an express provision in this deed requiring the Security Trustee to so consider or provide such information; and
  - (ii) provided that, if the Security Trustee is so required to provide any information, the Security Trustee is under no obligation to review the relevant information and shall not be deemed to have notice of its contents.

#### **6.18 Information**

- (a) Subject to paragraph (c) below, the Security Trustee will promptly provide to each Beneficiary a copy of each notice, report and other document given to it under any Transaction Document.

- (b) Each Security Provider (on its own behalf and on behalf of each other Security Provider) authorises the Security Trustee to provide any Beneficiary with any information concerning it and any Security Provider and:
  - (i) agrees that any information provided by it to the Security Trustee or any Beneficiary will not be provided as confidential material vis a vis the Beneficiaries and the Security Trustee; and
  - (ii) with respect to disclosure to the Beneficiaries, it waives all rights it has or may have against the Security Trustee or any Beneficiary for any breach of a duty of secrecy or confidence otherwise owed by the Security Trustee or a Beneficiary.
- (c) Despite any other provision in the Transaction Documents, the Security Trustee is not obliged to disclose information or provide documents relating to the Issuer or any other person if the Security Trustee believes that to do so would constitute a breach of law or duty of confidentiality.

## 6.19 Replacement of Security Trustee

- (a) Subject to the appointment of a successor Security Trustee as provided in this clause 6.19:
  - (i) the Security Trustee may resign at any time by giving not less than 30 days prior notice to the other Beneficiaries; and/or
  - (ii) the Beneficiaries by way of Special Resolution may remove the Security Trustee by giving not less than 30 days' prior notice to the Issuer and the Security Trustee.
- (b) On notice of resignation or removal, the Beneficiaries by way of Special Resolution may appoint a successor Security Trustee approved by the Issuer.
- (c) The Issuer and each Beneficiary will not unreasonably withhold their approval of any proposed successor Security Trustee. They will respond as soon as practicable to any request for approval.
- (d) If no successor Security Trustee is appointed within 30 days after notice the retiring Security Trustee may appoint a successor.
- (e) On its appointment the successor Security Trustee will have all the rights, powers and obligations of the retiring Security Trustee. The retiring Security Trustee will be discharged from its rights, powers and obligations (other than liabilities preserved under paragraph (g)). The successor Security Trustee and each of the other parties shall have the same rights and obligations amongst themselves as they would have had if such successor Security Trustee had been an original party.
- (f) The retiring Security Trustee must execute and deliver all documents or agreements which are necessary or in its opinion desirable to transfer to the successor the assets held on trust or to effect the appointment of the successor Security Trustee.
- (g) After any retiring Security Trustee's resignation or removal, this clause 6 will continue in effect in respect of anything done or omitted to be done by it while it was acting as Security Trustee.
- (h) The cost of the appointment of a successor Security Trustee under this clause will be borne by the Issuer.

## **6.20 Amendment of Transaction Documents**

The Security Trustee is authorised on behalf of the Beneficiaries to amend this deed or any Security if:

- (a) the amendment, waiver or release will not:
  - (i) increase the obligations of the Beneficiaries;
  - (ii) discharge or release any of the Secured Property other than to permit a transaction which complies with the Transaction Documents (including by way of enforcement); or
  - (iii) change the definition of Special Resolution; and
- (b) either:
  - (i) the Security Trustee is satisfied that the alteration:
    - (A) is of a formal, minor or technical nature;
    - (B) is made to correct a manifest error;
    - (C) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision; or
    - (D) provided that, in all cases, in the opinion of the Security Trustee, such amendment is not materially prejudicial to the interests of Beneficiaries as a whole; or
  - (ii) the Beneficiaries by way of Special Resolution have notified the Security Trustee of their agreement to the amendment, waiver or release.

Each Beneficiary will be bound by any such amendment, waiver or release by the Security Trustee.

## **6.21 Security Trustee's fees**

The Issuer shall pay (failing which each Security Provider jointly and severally agrees to pay) the Security Trustee fees as agreed from time to time between the Issuer and the Security Trustee. For the avoidance of doubt, any fee letter detailing the fee arrangements for the Security Trustee acting as Security Trustee under this deed may be amended without the consent of the Beneficiaries.

The payment of such fees must be made by the Issuer by transfer to such account nominated from time to time by the Security Trustee to the Issuer or by such other means notified by the Security Trustee to the Issuer from time to time.

## **6.22 Costs and expenses**

The Issuer must pay (failing which each Security Provider jointly and severally agrees to pay) its own costs and expenses properly incurred in connection with negotiating, preparing, executing and performing the Transaction Documents and must pay the Security Trustee on demand for:

- (a) all expenses (including legal fees, costs and disbursements) properly incurred in connection with negotiating, preparing and executing this deed and the Transaction Documents, and any subsequent consent,



agreement, approval, waiver or amendment relating to this deed or the Transaction Documents;

- (b) all losses and expenses (including professional advisers fees, consultants fees, costs and disbursements, determined without taxation, assessment, or similar process) suffered or properly incurred by the Security Trustee in connection with exercising, enforcing or preserving, or attempting to exercise, enforce or preserve, rights under this deed or the Transaction Documents;
- (c) all losses and expenses (including professional advisers fees, costs and disbursements, determined without taxation, assessment, or similar process) suffered or properly incurred by the Security Trustee which arise out of, or in the course of, the Security Trustee acting as the trustee of the Security Trust, except where such expenses are incurred by the Security Trustee as a direct result of the fraud, gross negligence or wilful misconduct of the Security Trustee; and
- (d) where the Security Trustee incurs expenses as the result of an Event of Default and those expenses would not have been incurred had there not been an Event of Default, the Security Trustee has the discretion to demand such expenses are recovered at an hourly rate, provided those expenses are properly incurred by or on behalf of the Security Trustee.

The Security Trustee shall be entitled to claim in respect of the above for its losses and expenses it has incurred in defending any action, suit, proceeding or dispute in which the fraud, gross negligence or wilful misconduct of the Security Trustee is alleged or claimed against it but, on the same being determined by a non-appealable judgment by a court of competent jurisdiction, it shall from its personal assets immediately repay such amount as the court may direct in respect of such losses or expenses in connection with that matter or circumstance in which the fraud, gross negligence or wilful misconduct of the Security Trustee has been determined by such court.

## 6.23 Exercise of rights by Representatives

- (a) **(Exercise of rights)** The powers under this deed of any Represented Beneficiary, including all rights to vote or give instructions to the Security Trustee, may only be exercised by the relevant Representative.
- (b) **(Relying on Instructions)** The Security Trustee may rely on any instructions given by a Representative as being given on behalf of the relevant Represented Beneficiaries from which it purports to give instructions. It need not inquire whether the Representative has complied with any requirements as between the Representative and those Represented Beneficiaries.
- (c) **(Payments)** Any payment to be made to a Represented Beneficiary with a Representative may be made to the relevant Representative on its behalf.
- (d) **(Notices)** Any notice, circular, communication, report or document to be given to a Represented Beneficiary with a Representative may instead be given to the relevant Representative on its behalf.
- (e) **(Seeking Instructions)** When seeking instructions from a Beneficiary, the Security Trustee need only correspond with the relevant Representative of those Represented Beneficiaries and in accordance with paragraph (b) above may rely on the Representative in respect of those instructions (including the details of the Exposure of those Represented Beneficiaries).

## **6.24 Release of Security**

The Security Trustee must not release or discharge any Security or any assets from any Security except in the course of enforcing any Security in accordance with this deed unless:

- (a) directed by all Beneficiaries;
- (b) required by law or a Transaction Document; or
- (c) the assets are assets the disposal of which is expressly permitted under a Transaction Document.

## **6.25 Protection for statutory proscriptions**

Despite any other provision of a Transaction Document to the contrary, the Security Trustee is not obliged to do or omit to do anything if it would, or might in its opinion, constitute a breach of any law or regulation, including the Charter of the United Nations Act 1945 (Cth), the Charter of the United Nations (Dealing and Assets) Regulations 2008 (Cth), the Banking (Foreign Exchange) Regulations 1959 (Cth) and any other applicable sanctions legislation.

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# **7 Events of Default**

## **7.1 Events of Default**

An "Event of Default" occurs for the purposes of this deed if an "Event of Default" (however defined) occurs under the Conditions.

## **7.2 Consequences**

In addition to any other rights provided by law or any Transaction Document, at any time when an Event of Default is continuing the Security Trustee may, and shall if the Beneficiaries by way of Special Resolution direct, do all or any of the following:

- (a) by notice to the Issuer declare the Secured Money immediately due and payable, and the Issuer shall immediately pay the Secured Money; and
- (b) take any action that it is permitted to take under a Transaction Document.

If, in the opinion of the Security Trustee, the delay required to obtain instructions from the Beneficiaries would be materially prejudicial to the interests of those Beneficiaries, the Security Trustee may (but is not obliged to) do these things without instructions from them.

## **7.3 Call meeting on the occurrence of an Event of Default**

If the Security Trustee becomes aware that an Event of Default is continuing, the Security Trustee agrees to do the following as soon as possible and in any event within 5 Business Days of the Security Trustee becoming aware of the Event of Default:

- (a) notify all Beneficiaries of:
  - (i) the Event of Default;
  - (ii) any steps which the Security Trustee has taken, or proposes to take, under clause 7.2 ("Consequences"); and

- (iii) any steps which the Issuer has notified the Security Trustee that it has taken, or proposes to take, to remedy the Event of Default; and
- (b) subject to clause 6.2(a)(i) ("Action in relation to the Security Trust Deed") of the Note Trust Deed, call a meeting of the Beneficiaries. However, if the Security Trustee calls a meeting and before the meeting is held the Event of Default ceases to continue, the Security Trustee may cancel the meeting by giving notice to each person to whom notice of the meeting was given.

#### **7.4 Instructions from Beneficiaries**

At any meeting of Beneficiaries called under this clause 7, the Beneficiaries must vote on whether to instruct the Security Trustee by way of Special Resolution to do any one or more of the following:

- (a) take any action which the Security Trustee may take under clause 7.2 ("Consequences");
- (b) waive the Event of Default (or determine that the Event of Default has been remedied); or
- (c) take any other action the Beneficiaries in the terms of that Special Resolution may specify and which the Security Trustee agrees to take.

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## **8 Payments**

### **8.1 Payments through Security Trustee**

- (a) If so instructed by the Beneficiaries by way of Special Resolution in accordance with a Transaction Document, the Security Trustee shall direct each Security Provider to make all payments of Secured Money through the Security Trustee.
- (b) On receipt of that direction each Security Provider will make all payments under the Transaction Documents to the Security Trustee on behalf of the Beneficiaries until directed otherwise by the Security Trustee acting on the instructions of the Beneficiaries by way of Special Resolution.
- (c) The Security Trustee shall distribute the amount paid in accordance with the Transaction Documents among the Beneficiaries in the order set out in clause 9.1.

### **8.2 Rounding**

In making any distribution, alteration or appropriation under any Transaction Document the Security Trustee must round any figures in accordance with Condition 9.5 ("Rounding").

### **8.3 Statement of Secured Money**

- (a) If requested by the Security Trustee each Beneficiary shall promptly provide it with:
  - (i) a statement showing details of the Secured Money owing to that Beneficiary at the date of the statement; and

- (ii) any information which the Security Trustee requests in relation to the calculation of the amounts referred to in paragraph (i).
- (b) The Security Trustee may rely on any statement given by a Beneficiary under paragraph (a) as conclusive evidence of the amount of Secured Money owing to the Beneficiary on the date of the statement and may assume the amount of Secured Money owing to a Beneficiary remains unchanged until it is otherwise notified in writing by the Beneficiary. This will not prejudice any rights of a Security Provider against the Beneficiary.

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## **9 Distributions after enforcement**

### **9.1 Distribution by Security Trustee**

The Security Trustee shall apply all money received or recovered by it which is available for distribution in or towards payment or repayment of the Secured Money in the following order:

- (a) First: to each holder of a Security Interest of which the Security Trustee is aware and which has priority in relation to the relevant Secured Property, to the extent of that claim.
- (b) Second: to any Receiver appointed to the Secured Property for its costs and remuneration in connection with exercising, enforcing or preserving rights (or considering doing so) in connection with the Transaction Documents.
- (c) Third: to itself for its fees, costs and other amounts (including all Secured Moneys) due to it for its own account in connection with its role as Security Trustee.
- (d) Fourth: *pari passu* and rateably to pay each Agent for its fees and all other Secured Moneys owing to it.
- (e) Fifth: *pari passu* and rateably to pay each Beneficiary all Secured Moneys owing to it (to the extent not paid under any of the preceding paragraphs).
- (f) Sixth: to each holder of a Security Interest of which the Security Trustee is aware and which ranks after any Security in relation to the relevant Secured Property, to the extent of that claim.
- (g) Seventh: the surplus (if any) belongs to the relevant Security Provider. The surplus will not carry interest.

### **9.2 Money actually received**

In applying any money toward satisfaction of the Secured Money, each Security Provider will be credited only with the money available for that purpose which is actually received by the Security Trustee. The credit will date from the time of receipt.

### **9.3 Amounts contingently due**

If any of the Secured Money is contingently owing to any Beneficiary at the time of a distribution of an amount under clause 9.1 ("Distribution by Security Trustee"), the Security Trustee may retain any of that amount. If it does, it shall place the amount retained in an account until the relevant Secured Money

becomes actually due or ceases to be contingently owing and the Security Trustee will then:

- (a) pay to that Beneficiary (through, if applicable, the Note Trustee) the amount which becomes actually due to it; and
- (b) apply the balance of the amount retained (together with interest earned on the deposit) in accordance with clause 9.1 ("Distribution by Security Trustee").

---

## **10 Payments**

### **10.1 Manner**

Each Security Provider shall make all payments under any Transaction Document:

- (a) by transfer of immediately available funds to the account specified by in the case of:
  - (i) this deed – the Security Trustee; and
  - (ii) any other Transaction Document – in accordance with the provisions of that Transaction Document,by 11.00 am (Sydney time) on the due date; and
- (b) without set-off, counterclaim or other deduction, except any compulsory deduction for Taxation.

### **10.2 Payment to be made on Business Day**

If any payment is due on a day which is not a Business Day, the due date will be the next Business Day.

### **10.3 Survival of obligations**

The obligations of each Security Provider under this clause survive the payment or repayment of all Secured Moneys and the termination of any Transaction Document.

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## **11 Costs and indemnities**

### **11.1 What the Issuer agrees to pay**

The Issuer agrees to pay or reimburse the Security Trustee for:

- (a) the Costs of the Security Trustee in connection with:
  - (i) negotiation, preparation, execution and registration of, and payment of Taxes on, any Transaction Document to which it is a party; and
  - (ii) the general on going administration of the Transaction Documents (including giving and considering consents, waivers, variations, discharges and releases and producing title documents);

- (b) the reasonable Costs of the Security Trustee, a Receiver and an Attorney in otherwise acting in connection with the Transaction Documents, such as enforcing or preserving rights (or attempting to or considering doing so) or doing anything in connection with any enquiry by an authority involving a Security Provider or any of its Related Entities; and
- (c) Taxes and fees (including registration fees) and fines and penalties in respect of fees paid, or that are payable, in connection with any Transaction Document or a payment or receipt or any other transaction contemplated by any Transaction Document. However, the Issuer need not pay a fine or penalty in connection with Taxes or fees to the extent that it has placed the Security Trustee in sufficient cleared funds for the Security Trustee to be able to pay the Taxes or fees by the due date.

The Issuer agrees to pay amounts due under this clause on demand from the Security Trustee.

## 11.2 Indemnity

The Issuer and each Security Provider indemnifies the Security Trustee, any Receiver and any Attorney against any liability or loss arising from, and any Costs incurred in connection with:

- (a) the Security Trustee acting in connection with a Transaction Document in good faith on fax or telephone instructions purporting to originate from the offices of the Issuer or any Security Provider or to be given by an Authorised Officer of the Issuer or any Security Provider; or
- (b) the Security Trustee exercising, or attempting to exercise, a right or remedy in connection with a Transaction Document after an Event of Default; or
- (c) the performance of its duties under any Collateral Security or any Transaction Document; or
- (d) any indemnity the Security Trustee gives a Controller or administrator of the Issuer or any Security Provider.

the Issuer and each Security Provider agrees to pay amounts due under this indemnity on demand from the Security Trustee.

## 11.3 Items included in loss, liability and Costs

The Issuer agrees that:

- (a) the Costs referred to in clause 11.1 ("What the Issuer agrees to pay"), and the liability, loss or Costs referred to in clause 11.2 ("Indemnity") include:
  - (i) legal Costs in accordance with any written agreement as to legal costs (whether or not the Issuer is a party to that agreement) or, if no agreement, on whichever is the higher of a full indemnity basis or solicitor and own client basis; and
  - (ii) time in attendance fees in respect of time spent by the Security Trustee's employees, officers, agents and contractors in connection with:
    - (A) any Event of Default; and

- (B) convening and holding of any meeting of Beneficiaries; and
- (C) carrying out the instructions of Beneficiaries; and
- (D) any request under any Transaction Document for its consent or approval; and
- (E) enforcing or preserving rights in connection with any Transaction Document or any related document (or attempting or considering doing so); and
- (F) any enquiry by an authority involving a Security Provider,

in each case charged at the hourly rates determined by the Security Trustee in good faith having regard to any rates applying at the relevant time in relation to similar arrangements entered into by the Security Trustee; and

- (b) the Costs referred to in clause 11.1(a) and (b) ("What the Issuer agrees to pay") include those paid, or that are payable, to persons engaged by the Security Trustee in connection with the Transaction Documents (such as consultants).

#### **11.4 Payment of third party losses**

The Issuer agrees to pay an amount equal to any liability or loss and any Costs of the kind referred to in clause 11.2 ("Indemnity") suffered or incurred by:

- (a) any Receiver or Attorney; or
- (b) any of the Security Trustee's employees officers, or agents or contractors.

#### **11.5 Payment for obligations**

The Issuer agrees to pay for anything that it agrees to do under the Transaction Documents.

#### **11.6 GST gross up**

In this clause 11.6, GST means a goods and services or similar tax imposed in Australia.

If any party:

- (a) reasonably decides that it is liable to pay GST on a supply made in connection with a Transaction Document; and
- (b) certifies to the recipient of the supply that it has not priced the supply to include GST,

then the recipient of the supply agrees to pay that party an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

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## **12 Assignment and Change in entities**

### **12.1 Assignment by a Security Provider**

No Security Provider may transfer or assign any of its rights or obligations under any Transaction Document without the prior written consent of the Security Trustee acting on the instructions of all Beneficiaries.

### **12.2 Additional Security Providers**

- (a) If under a Transaction Document, a person is required to become a party to this deed as an Additional Security Provider, they may do so by delivering to the Security Trustee a duly completed and executed Accession Letter.
- (b) The Security Trustee shall accept and execute the Accession Letter as soon as reasonably practicable if it is satisfied that all of the requirements of the relevant Transaction Document in connection with the joining of the party to this deed have been met.
- (c) The Security Trustee shall notify the Issuer and the Beneficiaries promptly after executing the Accession Letter.

### **12.3 Resignation of a Security Provider**

- (a) If a Transaction Document permits a Security Provider to resign as a Security Provider, the Issuer may deliver to the Security Trustee a duly completed and executed Resignation Letter.
- (b) The Security Trustee shall accept and execute the Resignation Letter as soon as reasonably practicable if the Security Trustee is satisfied that no Event of Default is continuing or would result from the Security Provider ceasing to be a Security Provider.
- (c) The Security Trustee shall notify the Issuer and the Beneficiaries promptly after accepting and executing the Resignation Letter.
- (d) If the Security Trustee accepts and executes the Resignation Letter:
  - (i) the relevant Security Provider shall cease to be a Security Provider with effect on and from the date specified in the Resignation Letter and shall have no further rights or obligations in that capacity under this deed; and
  - (ii) the Security Trustee must do all things necessary to ensure that any Security given by that Security Provider is released as soon as practicable after the date specified in the Resignation Letter.

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## **13 Notices and other communications**

### **13.1 Form - all communications**

Unless expressly stated otherwise in the Transaction Documents, all notices, certificates, consents, approvals, waivers and other communications in connection with a Transaction Document must be in writing, signed by the sender (if an individual) or an Authorised Officer of the sender and marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.



### **13.2 Form - communications sent by email**

Communications sent by email need not be marked for attention in the way stated in clause 13.1 ("Form - all communications"). However, the email must state the first and last name of the sender.

Communications sent by email are taken to be signed by the named sender.

### **13.3 Delivery**

Communications must be:

- (a) left at the address set out or referred to in the Details; or
- (b) sent by prepaid ordinary post (airmail, if appropriate) to the address set out or referred to in the Details; or
- (c) sent by fax to the fax number set out or referred to in the Details; or
- (d) sent by email to the address set out or referred to in the Details; or
- (e) given in any other way permitted by law.

However, if the intended recipient has notified a changed address or fax number, then communications must be to that address or number.

### **13.4 When effective**

Communications take effect from the time they are received or taken to be received under clause 13.5 ("When taken to be received") (whichever happens first) unless a later time is specified.

### **13.5 When taken to be received**

Communications are taken to be received:

- (a) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or
- (b) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent; or
- (c) if sent by email:
  - (i) when the sender receives an automated message confirming delivery; or
  - (ii) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

### **13.6 Receipt outside business hours**

Despite clauses 13.4 ("When effective") and 13.5 ("When taken to be received"), if communications are received or taken to be received under this clause 13.6 after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

### **13.7 Indemnity**

The Issuer indemnifies the Security Trustee against any liability or loss arising from, and any Costs incurred in connection with the Security Trustee acting in connection with this deed in good faith on email communications purporting to be given by the Issuer in accordance with this clause 13.

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## **14 General**

### **14.1 Prompt performance**

Subject to clause 14.14 ("Time of the essence"):

- (a) if a Transaction Document specifies when the Security Providers agree to perform an obligation, the Security Providers agree to perform it by the time specified; and
- (b) the Security Providers agree to perform all other obligations promptly.

### **14.2 Consents**

The Security Providers agree to comply with all conditions in any consent the Security Trustee gives in connection with a Transaction Document.

### **14.3 Certificates**

The Security Trustee may give the Security Providers a certificate about an amount payable or other matter in connection with a Transaction Document. The certificate is sufficient evidence of the amount or matter, unless it is proved to be incorrect.

### **14.4 Set-off**

If an Event of Default is continuing, the Security Trustee may set off any amount owing by the Security Trustee to a Security Provider (whether or not due for payment) against any amount due for payment by that Security Provider to the Security Trustee under a Transaction Document.

The Security Trustee may do anything necessary to effect any set-off under this clause (including varying the date for payment of any amount owing by the Security Trustee to that Security Provider and making currency exchanges). This clause applies despite any other agreement between a Security Provider and the Security Trustee.

### **14.5 Discretion in exercising rights**

A Beneficiary may exercise a right or remedy or give or refuse its consent under a Transaction Document in any way it considers appropriate (including by imposing conditions).

### **14.6 Partial exercising of rights**

If a Beneficiary does not exercise a right or remedy under a Transaction Document fully or at a given time, the Beneficiary may still exercise it later.

#### **14.7 No liability for loss**

No Beneficiary is liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy under a Transaction Document.

#### **14.8 Conflict of interest**

A Beneficiary's rights and remedies under any Transaction Document may be exercised even if this involves a conflict of duty or the Beneficiary has a personal interest in their exercise.

#### **14.9 Remedies cumulative**

The rights and remedies of a Beneficiary under any Transaction Document are in addition to other rights and remedies given by law independently of the Transaction Document.

#### **14.10 Indemnities**

Any indemnity in a Transaction Document is a continuing obligation, independent of the Security Provider's other obligations under that Transaction Document and continues after the Transaction Document ends. It is not necessary for a Beneficiary to incur expense or make payment before enforcing a right of indemnity under a Transaction Document.

#### **14.11 Rights and obligations are unaffected**

Rights given to a Beneficiary under a Transaction Document and the Security Providers' liabilities under it are not affected by anything which might otherwise affect them at law.

#### **14.12 Inconsistent law**

To the extent permitted by law, each Transaction Document prevails to the extent it is inconsistent with any law.

#### **14.13 Supervening legislation**

Any present or future legislation which operates to vary the obligations of the Security Providers in connection with a Transaction Document with the result that a Beneficiary's rights, powers or remedies are adversely affected (including by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

#### **14.14 Time of the essence**

Time is of the essence in any Transaction Document in respect of an obligation of the Security Providers to pay money.

#### **14.15 Variation and waiver**

A provision of a Transaction Document, or right created under it, may not be waived or varied except in writing signed by the party or parties to be bound. The Security Trustee and the Issuer may effect, on behalf of any Beneficiary and any Security Provider respectively, any waiver or variation permitted under clause 6.20 ("Amendment of Transaction Documents") (including by signing any documents in connection with the waiver or variation).

#### **14.16 Confidentiality**

Each party agrees not to disclose information provided by any other party that is not publicly available (including the existence or contents of any Transaction Document) except:

- (a) to any person in connection with an exercise of rights or a dealing with rights or obligations under a Transaction Document (including in connection with preparatory steps such as negotiating with any potential assignee or potential sub-participant or other person who is considering contracting with a Beneficiary in connection with a Transaction Document); or
- (b) to a person considering entering into (or who enters into) a credit swap with a Beneficiary involving credit events relating to a Security Provider or any of its Related Entities; or
- (c) to officers, employees, legal and other advisers and auditors of that party; or
- (d) to any party to this deed or any Related Entity of any party to this deed, provided the recipient agrees to act consistently with this clause 14.16; or
- (e) with the consent of the party who provided the information (such consent not to be unreasonably withheld); or
- (f) as required by any law or stock exchange.

Each party consents to disclosures made in accordance with this clause 14.16.

#### **14.17 Further steps**

Each Security Provider agrees to do anything the Security Trustee asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

- (a) to bind that Security Provider and any other person intended to be bound under the Transaction Documents; and
- (b) to show whether that Security Provider is complying with this deed.

#### **14.18 Counterparts**

This deed may consist of a number of copies each signed by one or more parties to the agreement. If so, the signed copies are treated as making up the one document.

#### **14.19 Governing law**

Each Transaction Document is governed by the law in force in the place specified in the Details and each Beneficiary submits to the non-exclusive jurisdiction of the courts of that place.

#### **14.20 Serving documents**

Without preventing any other method of service, any document in a court action may be served on a party by being delivered to or left at that party's address for service of notices under clause 13 ("Notices and other communications").

#### **14.21 Agent for service of process**

Each non-Australian Security Provider appoints Deposit Power Pty Ltd (ABN 49 160 226 442) of Level 10, 28 Margaret Street, Sydney NSW 2000, Australia] as its agent to receive any document referred to in clause 14.20 ("Serving documents"). If for any reason that person ceases to be able to act as such, the non-Australian Security Provider will immediately appoint another person with an office located in New South Wales to act as its agent to receive any such document and will promptly notify the Security Trustee of such appointment.

#### **14.22 Security Trustee or Receiver in possession**

If the Security Trustee exercises any right, power or remedy in connection with a Security or at law to enter or take possession of the Secured Property it:

- (a) has complete and unfettered discretion as to how the Secured Property is managed; and
- (b) is liable to account only for rents and profits actually received by it.

The same applies to any Receiver when acting as agent of the Security Trustee.

#### **14.23 Other Encumbrances or judgments**

Each Security does not merge with or adversely affect, and is not adversely affected by, any of the following:

- (a) any Security Interest or other right, power or remedy to which the Security Trustee is entitled; or
- (b) a judgment which the Security Trustee obtains against the Trustee in connection with the Secured Money.

The Security Trustee may still exercise its rights, powers or remedies under a Security as well as under the judgment, other Security Interest or the right, power or remedy.

#### **14.24 Continuing security**

Each Security is a continuing security despite any intervening payment, settlement or other thing until the Security Trustee releases the Secured Property from the security.

**EXECUTED** as a deed.

# Security Trust Deed – CBL Corporation

## Security Trust

### Schedule 1 – Security Providers

Name	ABN (or equivalent) and address and other contact details	Jurisdiction of incorporation
LBC Holdings New Zealand Limited	<p>New Zealand company number 4772359</p> <p>Address: Level 8, 51 Shortland Street, Auckland 1010, New Zealand</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	New Zealand
LBC Holdings Europe Limited	<p>New Zealand company number 4774919</p> <p>Address: Level 8, 51 Shortland Street, Auckland 1010, New Zealand</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	New Zealand
LBC Holdings UK Limited	<p>New Zealand company number 4774859</p> <p>Address: Level 8, 51 Shortland Street, Auckland 1010, New Zealand</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	New Zealand
Intercede 2408 Limited	<p>United Kingdom company number 07550811</p> <p>Address: 12 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1PA, United Kingdom</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	United Kingdom

European Insurance Services Limited	<p>United Kingdom company number 05681736</p> <p>Address: 12 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1PA, United Kingdom</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	United Kingdom
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## Schedule 2 - Form of Accession Letter

To: [Security Trustee] as Security Trustee

From: [Subsidiary] and [Issuer]

Dated:

Dear Sirs

### **CBL Corporation Security Trust Deed dated [●] ("Security Trust Deed")**

1 We refer to the Security Trust Deed. Terms used in the Security Trust Deed shall have the same meaning in this Accession Letter.

2 In accordance with clause [insert relevant provision of the Note Trust Deed] of the [insert details of Note Trust Deed], [Subsidiary] agrees to become an Additional Security Provider and to be bound by the terms of the Security Trust Deed as an Additional Security Provider pursuant to clause 12.2 of the Security Trust Deed. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction].

3 [Subsidiary's] administrative details are as follows:

Address:

Fax No:

Email address:

Department/officer:

4 This Accession Letter may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Accession Letter.

5 [insert Security Trustee Limitation of Liability provision]

6 This Accession Letter is governed by [insert relevant State or Territory] law.

This Accession Letter is executed as a deed.

[Insert execution clause for Issuer]

[Insert execution clause for Subsidiary]

[Insert execution clause for Security  
Trustee]



# Security Trust Deed – CBL Corporation Security Trust Schedule 3 - Form of Resignation Letter

To: [Security Trustee] as Security Trustee

From: [resigning entity] and [Issuer]

Dated:

Dear Sirs

## **CBL Corporation Security Trust Deed dated [●] ("Security Trust Deed")**

- 1 We refer to the Security Trust Deed. Terms used in the Security Trust Deed shall have the same meaning in this Resignation Letter.
- 2 Pursuant to clause 12.3 of the Security Trust Deed, we request that [resigning entity] be released from its obligations as a Security Provider under the Transaction Documents.
- 3 We confirm that:
  - (a) no Default or Review Event is continuing or would result from [resigning entity] the ceasing to be a Security Provider under the Subscription Agreement; and
  - (b) [\*].
- 4 This Resignation Letter may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Resignation Letter.
- 5 [insert Security Trustee Limitation of Liability provision]
- 6 This Resignation Letter is governed by New South Wales law.

This Resignation Letter is executed as a deed.

[Insert execution clause for Issuer] [Insert execution clause for resigning entity]

[Insert execution clause for  
Security Trustee]

# Security Trust Deed – CBL Corporation

## Security Trust

### Schedule 4 – Meeting Provisions

*The following are the Meeting Provisions referred to in the Security Trust Deed, and which will apply to meetings of Beneficiaries and are applicable to the convening of meetings of Beneficiaries and the passing of resolutions by them.*

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## 1 Interpretation

### 1.1 Incorporation of other defined terms

Terms which are defined in the Security Trust Deed to which these Meeting Provisions are a schedule have the same meaning when used in these provisions unless the same term is also defined in these provisions, in which case the definition in these provisions will prevail.

### 1.2 Definitions

These meanings apply unless the contrary intention appears:

**Circulating Resolution** means a written resolution of Beneficiaries made in accordance with paragraph 10 ("Circulating Resolutions");

**Form of Proxy** means a notice in writing in the form available from the Security Trustee;

**Proxy** means a person so appointed under a Form of Proxy; and

**Notification Date** means the date stated in the copies of a Circulating Resolution sent to Beneficiaries, which must be no later than the date on which that resolution is first notified to Beneficiaries.

### 1.6 Calculation of period of notice

If a notice must be given within a certain period of days or a certain number of days' notice must be given or any other matter must take place within a certain number of days, the day on which the notice is given or action taken, and the day on which the meeting is to be held or other action taken, are not to be counted in calculating that period.

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## 2 Convening a meeting

### 2.1 Who can convene a meeting?

- (a) The Issuer or the Security Trustee may convene a meeting of Beneficiaries whenever it thinks fit.
- (b) The Security Trustee must convene a meeting if:
  - (i) it is asked to do so in writing by Beneficiaries who alone or together hold Notes representing at least 10 per cent. of the Secured Moneys on the date they ask the Security Trustee to call the meeting; or

- (ii) required under a Transaction Document.

## **2.2 Venue**

A meeting may be held at two or more venues using any technology that gives the Beneficiaries as a whole a reasonable opportunity to participate at the same time.

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# **3 Notice of meeting**

## **3.1 Period of notice**

Unless otherwise agreed in writing by each Beneficiary, at least 5 days' notice of a meeting must be given to:

- (a) each Beneficiary;
- (b) if the notice is not given by the Security Trustee, the Security Trustee; and
- (c) if the notice is not given by the Issuer, the Issuer.

## **3.2 Contents of notice**

The notice must:

- (a) specify the date, time and place of the meeting;
- (b) specify the resolutions to be proposed; and
- (c) explain how Beneficiaries may appoint Proxies and state that Proxies may be appointed until 48 hours before the meeting but not after that time.

## **3.3 Effect of failure to give notice**

A meeting is duly convened and proceedings at it are valid, notwithstanding the accidental omission to give notice (or any amending or supplementary notice) to, or the non-receipt of notice by, any person entitled to receive notice.

## **3.4 Notices to be given in accordance with Security Trust Deed**

Clause 13 ("Notices and other communications") applies to these provisions as if it was fully set out in these provisions.

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# **4 Chairman**

## **4.1 Nomination of chairman**

The person who calls a meeting must nominate in writing a person as the chairman of a meeting.

The chairman of a meeting may, but need not, be a Beneficiary.

## **4.2 Absence of chairman**

If a meeting is held and:

- (a) a chairman has not been nominated; or
- (b) the person nominated as chairman is not present within 15 minutes after the time appointed for the holding the meeting, or is unable or unwilling to act,

the Beneficiaries or Proxies present may appoint a chairman, failing which, the Issuer may appoint a chairman.

#### 4.3 Chairman of adjourned meeting

The chairman of an adjourned meeting need not be the same person as was the chairman of the meeting from which the adjournment took place.

## 5 Quorum

### 5.1 Number for a quorum

- (a) At any meeting, any one or more Beneficiaries present in person or by a Form of Proxy will constitute a quorum for the purposes of passing the resolutions shown in the table below only if they alone or together represent (or in the case of Proxies, represent Beneficiaries who represent) at least the proportion of the Secured Money shown in the table below on the date of the meeting.

Type of resolution	Required proportion for any meeting except for meeting previously adjourned because of lack of quorum	Required proportion for meeting previously adjourned because of lack of quorum
Special Resolution	25 per cent. or more	10 per cent. or more
Ordinary Resolution	10 per cent. or more	No requirement

- (b) In determining how many Beneficiaries are present, each individual attending as a Proxy is to be counted, except that where a Beneficiary has appointed more than one Proxy, only one of those Proxies is to be counted.

### 5.2 Requirement for a quorum

An item of business (other than the choosing of a chairman) may not be transacted at a meeting unless a quorum is present when the meeting proceeds to consider it. If a quorum is present at the time the first item of business is transacted, it is taken to be present when the meeting proceeds to consider each subsequent item of business unless the chairman of the meeting (on the chairman's own motion or at the request of a Beneficiary or Proxy who is present (if such request is accepted by the chairman in its absolute discretion)) declares otherwise.

### 5.3 If quorum not present

If within 30 minutes after the time appointed for a meeting a quorum is not present, the meeting:

- (a) if convened on the requisition of Beneficiaries, is dissolved; and

- (b) in any other case, is adjourned until a date, time and place the chairman appoints. The date of the adjourned meeting must be no earlier than 5 days in respect of any meeting from which the adjournment took place, and no later than 14 days after, the date of the meeting from which the adjournment took place.

#### **5.4 If quorum not present at adjourned meeting**

If a quorum is not present within 30 minutes after the time appointed for any adjourned meeting, the chairman may dissolve the meeting.

If the chairman does not dissolve the meeting, the chairman may with the consent of (and must if instructed by) the Beneficiaries on a show of hands adjourn the meeting to a new date, time or place.

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## **6 Adjournment of a meeting**

### **6.1 When a meeting may be adjourned**

The chairman of a meeting may with the consent of and must if directed by any meeting, adjourn the meeting or any business, motion, question, debate or discussion being considered or remaining to be considered by the meeting either to a later time at the same meeting or to an adjourned meeting at any time and any place.

### **6.2 Notice of adjourned meeting**

It is not necessary to give notice of an adjournment unless a meeting is adjourned because of a lack of a quorum. In that case, unless otherwise agreed in writing by each Beneficiary, the chairman of the meeting from which the adjournment took place must give 5 days' notice of the adjourned meeting to each person entitled to receive notice of a meeting under these provisions. The notice must state the quorum required at the adjourned meeting but need not contain any further information.

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## **7 Voting**

### **7.1 Voting on a show of hands**

Every resolution put to a vote at a meeting must be decided on a show of hands unless a poll is properly demanded and the demand is not withdrawn.

A declaration by the chairman that a resolution has been carried, or carried by a particular majority, or lost or not carried by any particular majority, is conclusive evidence of the fact. Neither the chairman nor the minutes need state, and it is not necessary to prove, the number or proportion of the votes recorded in favour of or against the resolution.

### **7.2 When is a poll properly demanded**

A poll may be properly demanded by:

- (a) the chairman; or
- (b) one or more persons who alone or together hold (or represent Beneficiaries who hold) Notes representing in aggregate at least 5 per cent. of the principal amount of the Secured Money on the date of the meeting.

The poll may be properly demanded before a vote is taken or before or immediately after the voting results on a show of hands are declared.

### **7.3 Poll**

If a poll is properly demanded, it must be taken in the manner and at the date and time directed by the chairman, provided that a poll demanded must be taken immediately or at such time (being not later than 30 days from the date of the meeting). The result of the poll is a resolution of the meeting at which the poll was demanded.

A poll demanded on the election of a chairman or on a question of adjournment must be taken immediately.

A demand for a poll may be withdrawn.

The demand for a poll does not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll was demanded.

### **7.4 Equality of votes - chairman's casting vote**

If there is an equality of votes either on a show of hands or on a poll, the chairman of the meeting has a casting vote in addition to any votes to which the chairman is otherwise entitled to as a Beneficiary or Proxy.

### **7.5 Entitlement to vote**

A Beneficiary may be present and vote in person at any meeting in respect of the Note or be represented by Proxy.

Except where these provisions otherwise provide, at any meeting:

- (a) on a show of hands, each Beneficiary and each Proxy present at the meeting has one vote; and
- (b) on a poll each Beneficiary or Proxy present has one vote in respect of each A\$1 of Secured Money owing to that Beneficiary, or to the Beneficiary that Proxy represents, on the date of the meeting.

Without affecting the obligations of the Proxies named in any Form of Proxy, any person entitled to more than one vote need not use all votes (or cast all its the votes) to which it is entitled in the same way.

### **7.6 Entitlement to attend and speak**

The only persons entitled to attend and speak at any meeting are the Issuer, the Security Providers, the Security Trustee, the Beneficiaries (and/or their Proxies) and their respective financial and legal advisers and the chairman.

### **7.7 Objections to right to vote**

A challenge to a right to vote at a meeting of Beneficiaries:

- (a) may only be made at the meeting; and
- (b) must be determined by the chairman, whose decision is final and binding on all relevant persons.

---

## **8 Proxies**

### **8.1 Appointment of Proxy**

A Beneficiary entitled to attend and vote at a meeting may appoint a Proxy to attend and act on that Beneficiaries' behalf in connection with any meeting by signing a Form of Proxy signed by the Beneficiary. If the Beneficiary is a corporation, the Form of Proxy must be executed in accordance with the Corporations Act.

### **8.2 Validity of Forms of Proxy**

Forms of Proxy are valid for so long as the Beneficiary remains a Beneficiary.

The failure to provide the power of attorney or other certification of authority does not invalidate a Form of Proxy.

### **8.3 Who may be a Proxy?**

A Proxy:

- (a) need not be a Beneficiary; and
- (b) may be an attorney, officer, employee, contractor, agent, representative of, or otherwise connected with, the Security Trustee.

### **8.4 Revocation and amendment**

If, before a Proxy votes at a meeting, the Beneficiary who appointed the Proxy:

- (a) revokes or amends the Form of Proxy or any instructions in relation to it; or
- (b) ceases to be a Secured Creditor,

any vote cast by the Proxy at the meeting in accordance with the terms of the Proxy Form is valid, unless the Security Trustee receives notice of that fact from a Beneficiary at the office specified in the notice of meeting no later than 48 hours before the meeting in respect of which the Proxy is appointed.

---

## **9 Single Beneficiary**

If there is only one Beneficiary, that Beneficiary may pass a resolution by recording it and signing the record.

---

## **10 Circulating Resolutions**

### **10.1 Passing resolution by Circulating Resolution**

The Beneficiaries may without a meeting being held:

- (a) pass an Ordinary Resolution, if within one month after the Notification Date, Beneficiaries representing at least 50 per cent. of the Secured Money on the Notification Date sign a document stating that they are in favour of the resolution set out in that document; or
- (b) pass a Special Resolution, if within one month after the Notification Date, Beneficiaries representing at least 66⅔ per cent. of the Secured Money

on the Notification Date sign a document containing a statement that they are in favour of the resolution set out in that document.

Separate copies of a document may be used for signing Beneficiaries if the wording of the resolution and statement is identical in each copy.

## **10.2 When is a Circulating Resolution passed**

The resolution is passed when the last Beneficiary signs it.

## **10.3 Effect of failure to give copy of Circulating Resolution**

The accidental omission to give a copy of Circulating Resolution to, or the non-receipt of a copy by, any Beneficiary does not invalidate the Circulating Resolution.

---

# **11 Effect and notice of resolution**

## **11.1 Resolutions are binding**

A resolution passed at a meeting duly convened and held (or by a Circulating Resolution duly sent and signed) in accordance with these provisions is binding on all Beneficiaries, whether or not they were present, or voted, at the meeting (or signed the Circulating Resolution).

## **11.2 Notice of resolutions**

The Security Trustee must give notice to the Beneficiaries of the result of the voting on a resolution within 14 days of the result being known. However, failure to do so does not invalidate the resolution.

---

# **12 Minutes**

## **12.1 Minute books**

The Security Trustee must keep minute books in which it records:

- (a) proceedings and resolutions of meetings; and
- (b) Circulating Resolutions.

## **12.2 Minutes and Circulating Resolutions must be signed**

The Security Trustee must ensure that:

- (a) minutes of a meeting are signed by the chairman of the meeting or by the chairman of the next meeting; and
- (b) Circulating Resolutions are signed by an authorised officer of the Security Trustee.

## **12.3 Minutes and Circulating Resolutions conclusive**

A minute or Circulating Resolution that is recorded and signed in accordance with these provisions is, unless the contrary is proved, conclusive evidence:

- (a) of the matters contained in it;



- (b) that the meeting has been duly convened and held (or copies of the proposed Circulating Resolution have been duly sent and signed); and
- (c) that all resolutions have been duly passed.

---

## **13 Further procedures**

The Security Trustee may prescribe by notice to the Beneficiaries further regulations for the holding of, attendance and voting at meetings as are necessary or desirable provided such regulations do not adversely affect the interests of the Beneficiaries.

**Security Trust Deed – CBL Corporation**  
**Security Trust**  
Signing page

DATED 15 April 2014

**SECURITY PROVIDERS**

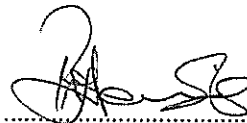
EXECUTED by CBL CORPORATION  
LIMITED (New Zealand company  
number 388838):



Signature of director

ARR HANNON

Name of director (block letters)



Signature of director

PER HARRIS

Name of director (block letters)

EXECUTED by LBC HOLDINGS NEW  
ZEALAND LIMITED (New Zealand  
company number 4772359):



Signature of witness

Name of witness (block letters)



Signature of director

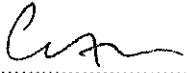
COACH MURPHY

Name of director (block letters)

Christopher Leslie Ashton  
Solicitor  
Auckland

Occupation of witness


EXECUTED by LBC HOLDINGS  
EUROPE LIMITED (New Zealand  
company number 4774919):

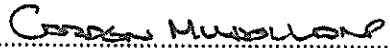
  
.....  
Signature of witness

.....  
Name of witness (block letters)

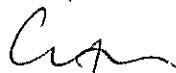
..... Christopher Leslie Ashton  
Address of witness Solicitor  
Auckland

.....  
Occupation of witness

  
.....  
Signature of director

  
.....  
Name of director (block letters)

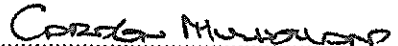
EXECUTED by LBC HOLDINGS UK  
LIMITED (New Zealand company  
number 4774859):

  
.....  
Signature of witness

.....  
Name of witness (block letters)

.....  
Address of witness Christopher Leslie Ashton  
Solicitor  
Auckland  
Occupation of witness

  
.....  
Signature of director


  
.....  
Name of director (block letters)


EXECUTED by INTERCEDE 2408  
LIMITED (English company number  
07550811):

  
.....  
Signature of witness

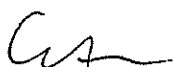
.....  
Name of witness (block letters) Christopher Leslie Ashton  
Solicitor  
Auckland  
Address of witness

.....  
Occupation of witness

  
.....  
Signature of director

  
.....  
Name of director (block letters)

EXECUTED by EUROPEAN  
INSURANCE SERVICES LIMITED  
(English company number 05671736):



.....  
Signature of witness

.....  
Name of witness (block letters)  
Christopher Leslie Ashton  
Solicitor

.....  
Auckland  
Address of witness

.....  
Occupation of witness



.....  
Signature of director

PETER HARRIS

.....  
Name of director (block letters)

**SECURITY TRUSTEE**

**SIGNED SEALED AND DELIVERED**

by

as attorney for **PERMANENT  
CUSTODIANS LIMITED** (ABN 55 001  
426 384) under power of attorney in the  
presence of:

Signature of witness

Jean Louie

Name of witness (block letters)

  
Marjana Cvetanoska  
Managing Director

By executing this deed the attorney  
states that the attorney has received no  
notice of revocation of the power of  
attorney

Series No.: 1

Tranche No.: 1



**CBL Corporation Limited**

*(incorporated with limited liability in New Zealand with company number 3888838)*

**("Issuer")**

Issue of

**A\$55,000,000 8.25% Fixed Rate Notes due 17 April 2019**

**("Notes")**

irrevocably and unconditionally guaranteed by certain subsidiaries of the Issuer

**("Guarantors")**

The date of this Pricing Supplement is 15 April 2014.

This Pricing Supplement (as referred to in the Information Memorandum dated 15 April 2014 ("**Information Memorandum**")) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with (i) the terms and conditions of the Notes ("**Conditions**") contained in the Information Memorandum and (ii) the Note Trust Deed dated 15 April 2014 and made by the Issuer and the Guarantors.

Unless otherwise indicated, terms defined in the Conditions have the same meaning when used in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone outside Australia or where such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement for issue to persons to whom disclosure would be required under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

- |   |            |   |
|---|------------|---|
| 1 | Issuer     | : CBL Corporation Limited (New Zealand company number 3888838)  |
| 2 | Guarantors | <p>: LBC Holdings New Zealand Limited (New Zealand company number 4772359)</p> <p>LBC Holdings Europe Limited (New Zealand company number 4774919)</p> <p>LBC Holdings UK Limited (New Zealand company number 4774859)</p> <p>Intercede 2408 Limited (English company number 07550811)</p> <p>European Insurance Services Limited (English company number 05681736)</p> |

3	Type of Note	: Fixed Rate Note
4	Lead Manager and Initial Subscriber	: FIIG Securities Limited (ABN 68 085 661 632)
5	Place of offering	: Inside Australia only
6	Registrar	: BTA Institutional Services Australia Limited (ABN 48 002 916 396)
7	Issuing & Paying Agent	: BTA Institutional Services Australia Limited (ABN 48 002 916 396)
8	Calculation Agent	: BTA Institutional Services Australia Limited (ABN 48 002 916 396)
9	Note Trustee	: BNY Trust Company of Australia Limited (ABN 49 050 294 052)
10	Security Trustee	: Permanent Custodians Limited (ABN 55 001 426 384)
11	Aggregate principal amount of Tranche	: A\$55,000,000
12	Issue Date	: 17 April 2014
13	Issue Price	: 100%
14	Denomination	: A\$1,000
15	Minimum initial subscription parcel size	: A\$50,000, and in increments of A\$10,000 thereafter
16	Maturity Date	: 17 April 2019
17	Record Date	: As per the Conditions
18	Condition 7 (Fixed Rate Notes) applies	: Yes
	Fixed Coupon Amount	: A\$41.25 per A\$1,000 denomination, payable semi-annually in arrear
	Interest Rate	: 8.25% per annum.

If, however, CBL Insurance Limited's A.M. Best Long-Term Issuer Credit Rating is downgraded to 'bb' or lower during any Interest Period, the Interest Rate applicable from the start of the immediately following Interest Period (the "**Interest Period (Step Up)**") will be increased (for so long as that downgrade is continuing) by 1.00% per annum ("**Step Up**").

For the avoidance of doubt, if there is any subsequent upgrade to CBL Insurance Limited's A.M. Best Issuer Credit Rating to above 'bb', the Step Up will not apply from the start of any Interest Period following the Interest Period (Step Up).


	Interest Commencement Date	:	Issue Date
	Interest Payment Dates	:	17 April and 17 October of each year, commencing on 17 October up to, and including, the Maturity Date or, if redeemed earlier, an Optional Redemption Date
	Business Day Convention	:	Following Business Day Convention
	Day Count Fraction	:	RBA Bond Basis
19	Condition 8 (Floating Rate Notes) applies	:	No
20	Noteholder put	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Noteholders on a Change of Control as set out in Condition 10.2 ("Early redemption at the option of Noteholders (Noteholder put)")
21	Issuer call	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 10.3 ("Early redemption at the option of the Issuer (Issuer call)") and:  First Optional Redemption Date means 17 April 2017; and  Second Optional Redemption Date means 17 April 2018.
22	Clearing system	:	Austraclear System
23	ISIN	:	AU3CB0220341
24	Austraclear I.D.	:	CBLC01
25	Listing	:	Not applicable

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

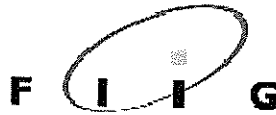
Date: 15 April 2014

**CONFIRMED**

For and on behalf of  
**CBL CORPORATION LIMITED**

By:   
Name: PETER ALAN HARRIS  
Title: DIRECTOR





Fixed Income Specialists

# Subscription Agreement

Dated 15 April 2014

CBL Corporation Limited (New Zealand company number 3888838)  
("Issuer")

Each person listed in Schedule 1 (each an "Initial Guarantor", and together, the "Initial Guarantors")

FIIG Securities Limited (ABN 68 085 661 632) ("Lead Manager and Initial Subscriber")

**FIIG Securities Limited**  
Level 8  
Emirates House  
167 Eagle Street  
Brisbane QLD 4000  
Australia  
T + 61 7 3231 6602  
F + 61 7 3231 6699  
[www.fiig.com.au](http://www.fiig.com.au)

# Subscription Agreement

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# Subscription Agreement

## Details

Parties		
Issuer, Initial Guarantors and Lead Manager and Initial Subscriber as described below.		
Issuer	Name	CBL Corporation Limited
	Incorporated in	Incorporated with limited liability in New Zealand with company number 3888838
	Address	Level 8 Tower One, Shortland Centre 51 Shortland Street Auckland 1010 New Zealand
	Telephone	+ 64 9 300 5046
	Fax	+ 64 9 303 4770
	Attention	Chief Financial Officer
Initial Guarantors		
Each person listed in Schedule 1 ("Initial Guarantors").		
Lead Manager and Initial Subscriber	Name	FIIG Securities Limited
	ABN	68 085 661 632
	Address	Level 8 Emirates House 167 Eagle Street Brisbane Qld 4000 Australia
	Telephone	+ 61 7 3231 6666
	Fax	+ 61 7 3231 6699
	Attention	Legal and Compliance
Notes		
A\$55,000,000 8.25% Fixed Rate Notes due 17 April 2019		
Date of Subscription Agreement		
15 April 2014		

# Subscription Agreement

## General terms

---

### 1 Definitions and interpretation

#### 1.1 Definitions

These meanings apply unless the contrary intention appears:

**Agency Agreement** means:

- (a) the agreement entitled "Agency and Registry Services Agreement" between the Issuer, the Initial Guarantors and BTA Institutional Services Australia Limited (ABN 48 002 916 396) dated 15 April 2014;
- (b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of Notes; and/or
- (c) any other agency agreement entered into between the Issuer and an agent in connection with any issue of the Notes;

**Austraclear** means Austraclear Ltd (ABN 94 002 060 773);

**Austraclear Regulations** means the regulations known as the "Austraclear Regulations" together with any instructions or directions established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

**Austraclear System** means the clearing and settlement system operated by Austraclear for holding securities and electronic recording and settling of transactions in those securities between participants of that system;

**Authorised Officer** means, in the case of the Issuer:

- (a) a director or secretary of the Issuer; or
- (b) such other person appointed by the Issuer to act on its behalf for the purposes of this agreement, the Note Trust Deed and the Notes and whose specimen signature has been given to the Initial Subscriber;

**Business Day** means a day on which banks are open for general banking business in Sydney and Auckland and:

- (a) any other place specified in the Pricing Supplement; and
- (b) if a Note held in the Austraclear System is to be issued or payment made in respect of a Note held in the Austraclear System on that day, a day on which the Austraclear System for the relevant Note is operating;

**Communication** has the meaning given in clause 12.1 ("Form of notices");

**Conditions** means, in relation to a Note, the terms and conditions applicable to that Note set out in the Information Memorandum, as supplemented, amended,

modified or replaced by the Pricing Supplement and references to a particular numbered Condition shall be construed accordingly;

**Event of Default** has the meaning given in the Conditions;

**Group** means the Issuer and each of its Subsidiaries from time to time;

**GST** means a goods and services or similar tax imposed in Australia;

**Guarantee** means the guarantee of the Notes by the Guarantors as set out in the Note Trust Deed;

**Guarantor** means each Initial Guarantor and each other person who becomes a Guarantor pursuant to the Note Trust Deed but excludes any person who has been released from the Guarantee pursuant to the Note Trust Deed, from time to time. If there are more than one, the Guarantor means each of them individually and every two or more of them jointly;

**IFRS** means International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time);

**Indemnified Persons** has the meaning given in clause 11.1 ("Indemnity");

**Information Memorandum** means the Information Memorandum dated 15 April 2014 prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of Notes and all documents incorporated by reference in it, including the Pricing Supplement, and any other amendments or supplements to it;

**Initial Guarantors** means each person who is an Initial Guarantor under the Note Trust Deed;

**Initial Subscriber** means the person described as the "Lead Manager and Initial Subscriber" in the Details;

**Issue Date** means, in respect of a Note, the date on which that Note is issued as set out in clause 3.1 ("Subscription");

**Mandate Letter** means the mandate letter between the Issuer and the Initial Subscriber dated 7 March 2014;

**Material Adverse Effect** means an event or circumstance which has, or would reasonably be expected to have, a material adverse effect on the ability of Issuer or a Guarantor to meet its obligations under any Transaction Document or the Notes;

**Net Purchase Price** means the purchase price of the Notes being A\$53,202,739, calculated as 100% of the aggregate principal amount of the Notes and less the fees and expenses as agreed between the Issuer and the Initial Subscriber;

**Note** means the notes to be subscribed for under this agreement as set out in the Details;

**Note Trust Deed** means the document entitled "Note Trust Deed" dated 15 April 2014 and executed by the Issuer, the Initial Guarantors and the Note Trustee;

**Note Trustee** means BNY Trust Company of Australia Limited (ABN 49 050 294 052) or any person who becomes the "Note Trustee" under the Note Trust Deed;

**NZ Companies** means the Issuer, LBC Holdings Europe Limited, LBC Holdings New Zealand Limited and LBC Holdings UK Limited;

**NZ GAAP** means generally accepted accounting practice in New Zealand as defined in section 3 of the Financial Reporting Act 1993 of New Zealand or, in relation to each financial year that commences on or after 1 April 2014, section 8 of the Financial Report Act 2014 of New Zealand (as applicable);

**Permitted Security Interest** has the meaning given in the Conditions;

**Pricing Supplement** means the supplement specifying the relevant issue details in relation to the Notes and which may be substantially in the form set out in the Information Memorandum, duly completed and signed by the Issuer and dated 15 April 2014;

**Register** means the register (including any branch register) of holders of Notes established and maintained by or on behalf of the Issuer under an Agency Agreement;

**Registrar** means:

- (a) BTA Institutional Services Australia Limited (ABN 48 002 916 396); and/or
- (b) any other person appointed by the Issuer under an Agency Agreement to establish and maintain the Register on behalf of the Issuer from time to time;

**Related Entity** has the same meaning it has in the Corporations Act;

**Security** has the meaning given to that term in the Security Trust Deed;

**Security Interest** has the meaning given in the Conditions;

**Security Trust Deed** means the "Security Trust Deed" dated 15 April 2014 between the Issuer and the Security Trustee;

**Security Trustee** means Permanent Custodians Limited (ABN 55 001 426 384) or any person who becomes the "Security Trustee" under the Security Trust Deed;

**Subsidiary** means, in relation to any person:

- (a) a subsidiary within the meaning of section 5 of the Companies Act 1993 of New Zealand (or any other person which would be a subsidiary of that person if that person and the other person were both registered under the Companies Act 1993 of New Zealand); or
  - (b) a "subsidiary" in accordance with NZ GAAP,
- of that person;

**Taxes** means taxes, levies, imposts, charges or withholdings and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them other than if imposed on, or calculated having regard to, the net income of the Initial Subscriber; and

**Transaction Documents** means:

- (a) this agreement;

- (b) the Note Trust Deed;
- (c) the Agency Agreement;
- (d) the Pricing Supplement;
- (e) the Security Trust Deed; and
- (f) each Security,

and any other document which the Issuer acknowledges in writing to be a Transaction Document.

## 1.2 Interpretation

Unless the contrary intention appears, a reference in this agreement to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) an agreement, representation or warranty by two or more persons binds them jointly and each of them individually;
- (d) anything (including an amount) is a reference to the whole and each part of it;
- (e) a document (including this agreement) includes any supplement to, or variation or replacement of, it;
- (f) law means common law, principles of equity, and laws made by parliament (and laws made by parliament include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (g) a directive includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (h) the "**Corporations Act**" is to the Corporations Act 2001 of Australia;
- (i) "**Australian dollars**" or "**A\$**" is a reference to the lawful currency of Australia;
- (j) a time of day is a reference to Sydney time;
- (k) if a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the things is to happen, are not to be counted in calculating that period;
- (l) the word "**person**" includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (m) a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (n) a "**party**" is a reference to a party to this agreement; and



- (o) the words “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

### **1.3 Number**

The singular includes the plural and vice versa.

### **1.4 Headings**

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this agreement.

---

## **2 Appointment**

The Issuer appoints the Initial Subscriber in relation to the issue and sale of the Notes on the terms and conditions of this agreement and the Initial Subscriber accepts its appointment.

---

## **3 Subscription**

### **3.1 Subscription**

On 17 April 2014, or such other date as is agreed between the Issuer and the Initial Subscriber (“**Issue Date**”):

- (a) the Issuer agrees to issue and sell the Notes in accordance with this agreement; and
- (b) the Initial Subscriber agrees to subscribe for the Notes by paying the Net Purchase Price in immediately available funds in accordance with this agreement.

### **3.2 Transactions through Austraclear System**

On the Issue Date for the Notes, and subject to clause 3.1 (“Subscription”), the Issuer agrees to:

- (a) procure the issue of the Notes and their registration in the name of Austraclear (or as otherwise directed by the operator of the Austraclear System); and
- (b) lodge the Notes, or arrange for the Notes to be held, in the Austraclear System and request that those Notes be transferred to the account of the Initial Subscriber (or any other account as directed by the Initial Subscriber) against payment of the Net Purchase Price.

When the Notes have been lodged with Austraclear, transactions relating to those Notes between the Issuer and Initial Subscriber are governed by the Austraclear Regulations.

### **3.3 Payment**

The Issuer and the Initial Subscriber agree that, on the Issue Date, settlement will take place on the following basis:

- (a) the Initial Subscriber agrees to pay the Net Purchase Price for the Notes to the account nominated by the Issuer; and

- (b) the Issuer agrees to issue the Notes to the Initial Subscriber, in each case through the Austraclear System, or in any other manner agreed between them.

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## **4 Conditions precedent**

### **4.1 Conditions to issue**

The Issuer acknowledges that the Initial Subscriber's obligations to subscribe and pay for the Notes on the Issue Date are subject to receipt by the Initial Subscriber of the following conditions precedent in a form and substance reasonably satisfactory to it:

- (a) that all fees and costs due and payable to the Initial Subscriber pursuant to clause 5 ("Fees and costs") have been paid, or arrangements for payment have been made;
- (b) a copy of this agreement signed by the Issuer and the Initial Guarantors;
- (c) copies of the:
  - (i) Note Trust Deed (duly stamped, or evidence that it will be stamped);
  - (ii) Agency Agreement;
  - (iii) Security Trust Deed (duly stamped, or evidence that it will be stamped); and
  - (iv) each Security,and signed by each of the parties to them;
- (d) the Issuer has delivered a signed copy of the Pricing Supplement to the Initial Subscriber;
- (e) an electronic copy of the Information Memorandum which has not been withdrawn;
- (f) no Event of Default would result from the issue of those Notes;
- (g) there having been no material adverse change nor any development or event involving a prospective material adverse change in the condition (financial or otherwise), prospects, results of operations, management general affairs or properties of the Issuer since the audited consolidated financial statements of the Group as at 31 December 2013 and dated 3 April 2014;
- (h) the representations and warranties of each of the Issuer and the Initial Guarantors in this agreement being true, accurate and correct in all respects and not misleading or deceptive or likely to mislead or deceive at, and as if made on, such date;
- (i) the Issuer having performed all of its obligations, and is not in breach of any obligation, under this agreement or the Note Trust Deed that is required to be performed on or before such date;
- (j) there must not have occurred since the date of this agreement, in the opinion of the Initial Subscriber, a change in Australian, New Zealand or

international financial, political or economic conditions as would be likely to prejudice materially the success of the offering, issue or initial distribution of the Notes;

- (k) a legal opinion from each of King & Wood Mallesons (with respect to the laws of New South Wales and English law), Mayne Wetherell (with respect to the laws of New Zealand) and William Fry (with respect to the laws of the Republic of Ireland);
- (l) evidence that the Issuer and each non-Australian Guarantor has validly appointed an agent for service of process in accordance with clause 13.10 ("Agent for service of process") and that the agent has accepted that appointment;
- (m) copies of the signed deeds of release to discharge of any existing Security Interests (other than a Permitted Security Interest) granted by the Issuer or an Initial Guarantor on or prior to the Issue Date and all necessary release forms and notifications to the applicable registers ;
- (n) a certified copy of the extracts of resolutions of the Board of Directors of each of the Guarantors (other than the NZ Companies) authorising the issue of the Notes (with respect to the Issuer) and the execution of the Transaction Documents;
- (o) a certified copy of the constituent documents of each Guarantor (other than the NZ Companies);
- (p) a certified copy of the list of Authorised Officers of each of the Issuer and the Guarantors and specimen signatures of each such person; and
- (q) in relation to each Guarantor other than the NZ Companies, a copy of a signed verification certificate in, or substantially in, the form set out in Schedule 2 ("Form of Verification Certificate") to this agreement;
- (r) in relation to the NZ Companies, a copy of a signed director's certificate in, or substantially in, the form set out in Schedule 3 ("Form of Director's Certificate") to this agreement;
- (s) copies of the:
  - (i) shares certificates in respect of the shares held by:
    - (A) Intercede 2408 Limited in European Insurance Services Limited ;
    - (B) European Insurance Services Limited in European Specialty Risks Limited, Société à responsabilité limitée A C J N and EISL Iberia Limited; and
    - (C) LBC Holdings Europe Limited in CBL Insurance Europe Limited; and
  - (ii) the executed documents of transfer sufficient to transfer all the legal and beneficial ownership of the shares held by:
    - (A) Intercede 2408 Limited in European Insurance Services Limited;
    - (B) European Insurance Services Limited in European Specialty Risks Limited, Société à responsabilité limitée A C J N and EISL Iberia Limited; and

- (C) LBC Holdings Europe Limited in CBL Insurance Europe Limited,

with the name of the transferee, the consideration and the date left blank;

- (t) evidence that the interest of the Security Trustee as first ranking secured party (in the agreed form) has been noted on the share registers of LBC Holdings New Zealand Limited, LBC Holdings UK Limited, LBC Holdings Europe Limited, CBL Insurance Limited and South British Funding Limited.

## 4.2 Termination

If any of the conditions in clause 4.1 ("Conditions to issue") are not satisfied, or waived by, the Initial Subscriber by, or on, the Issue Date, the Initial Subscriber may terminate this agreement and will be released from its obligations under it provided that the Initial Subscriber may agree with the Issuer that one or more of the conditions set out in clause 4.1 ("Conditions to issue") may be satisfied by such later date as the Initial Subscriber specifies.

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## 5 Fees and costs

Except as may be separately agreed in writing, the Issuer agrees to pay or reimburse to the Initial Subscriber:

- (a) the fees and expenses of the Initial Subscriber on terms, and in the manner, as separately agreed in writing between the Issuer and the Initial Subscriber from time to time including pursuant to the Mandate Letter;
- (b) the reasonable costs of the legal advisers instructed by the Initial Subscriber and properly incurred in connection with the offer and issue of the Notes and the preparation of the Information Memorandum and the Transaction Documents as set out in the Mandate Letter; and
- (c) amounts due:
  - (i) in respect of Taxes payable on or in connection with the creation, issue and offering of the Notes in accordance with the terms of this agreement or the execution or delivery of the Transaction Documents other than any Tax that is levied on the Initial Subscriber as a result of any amounts earned by it, its Subsidiaries or affiliates in connection with the offering of the Notes;
  - (ii) in respect of fees (including fines and penalties in respect of fees paid) payable on or properly incurred in connection with the creation, issue and offering of the Notes in accordance with the terms of this agreement or the execution and delivery of the Transaction Documents; and
  - (iii) in addition to any amount payable by it under this agreement, any value added, turnover or similar tax payable in respect thereof (and references in this agreement to such amount shall be deemed to include any such taxes so payable in addition to it).

However, the Issuer need not pay a fine or penalty in connection with Taxes, fees or other amounts to the extent that it has placed the Initial

Subscriber in sufficient cleared funds for the Initial Subscriber to be able to pay the Taxes, fees or other amounts by the due date.

The Issuer agrees to pay amounts due under this clause on demand from the Initial Subscriber or as has otherwise been agreed in writing between them and, for these purposes, the Issuer and the Initial Subscriber agree that the fees and certain expenses of the Initial Subscriber will be paid by way of the Issuer accepting the Net Purchase Price, which amount has been calculated, and is expressed, net of such fees and expenses.

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## **6 Initial Subscriber's acknowledgments**

### **6.1 Acknowledgments**

The Initial Subscriber represents, warrants, acknowledges and agrees (as the case may be) that:

- (a) it is a corporation validly existing under the laws of the place of its incorporation, is not in liquidation or receivership or subject to any event which under the laws of any relevant jurisdiction having a similar or analogous effect to a liquidation or receivership, has full power and authority to own its properties and to conduct its business and is lawfully qualified to do business in those jurisdictions in which business is conducted by it;
- (b) it has the corporate power to enter into and perform its obligations under this agreement, to carry out the transactions contemplated by this agreement and has taken all necessary action to authorise the entry into and performance of this agreement;
- (c) this agreement has been duly authorised, executed and delivered by the Initial Subscriber is a valid and legally binding obligation, enforceable in accordance with its respective terms subject to principles of equity and laws affecting creditors rights generally and reservations or qualifications as to matters of law in any legal opinions delivered in connection with the issue of the Notes;
- (d) no prospectus or other disclosure document (as defined in the Corporations Act) in relation to Notes has been lodged with the Australian Securities and Investments Commission or any other government agency or authority;
- (e) no action has been taken, or will be taken, by it in any jurisdiction which would permit a public offering of the Notes, or possession or distribution of the Information Memorandum or any other offering material in relation to the Notes, in any jurisdiction where action for that in connection with the primary distribution of the Notes:
  - (i) it has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
  - (ii) it has not distributed or published, and will not distribute or publish, any Information Memorandum or other offering material or advertisement relating to any Notes in Australia,

unless:

- (A) the offer or invitation falls within the exemption for offers to sophisticated investors set out in section 708(8) of the

Corporations Act or the offer otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;

- (B) such action does not require any document to be lodged with Australian Securities and Investments Commission or ASX Limited; and
- (C) such action complies with all applicable laws and directives; and

The representations and warranties in paragraphs (a), (b) and (c) above are taken also to be made (by reference to the then current circumstances) on the Issue Date and the Initial Subscriber acknowledges that the Issuer and the Initial Guarantors have entered into this agreement in reliance on the representations and warranties in such paragraphs (a), (b) and (c).

## **6.2 Suspension or cancellation due to illegality**

This clause 6.2 applies if there has been:

- (a) a change in a law or directive;
- (b) a change in the interpretation or administration of a law or directive by an authority; or
- (c) a new law or directive,

applying for the first time after the date of this agreement, that makes it (or will make it) illegal or impossible in practice for the Initial Subscriber to comply with any of its obligations under this agreement. In these circumstances, the Initial Subscriber may, by giving notice to the Issuer, suspend or cancel some or all of its obligations under this agreement as indicated in the notice, which notice shall also set out in detail the reasoning for such suspension. If such suspension or cancellation relates the Initial Subscriber's obligation to pay for Notes that have been sold but not yet issued, the Issuer's obligation to deliver the Notes shall similarly be suspended or cancelled.

## **6.3 Extent and duration**

The suspension or cancellation referred to in clause 6.2 ("Suspension or cancellation due to illegality"):

- (a) must apply only to the extent necessary to avoid the illegality or impossibility; and
- (b) in the case of suspension, may continue only for so long as the illegality or impossibility continues.

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# **7 Issuer's and Initial Guarantors' representations and warranties**

## **7.1 Issuer's representations and warranties**

The Issuer represents and warrants that:

- (a) **(status)** it is a corporation validly existing under the laws of the place of its incorporation, is not in liquidation or receivership or subject to any event which under the laws of any relevant jurisdiction having a similar or

analogous effect to a liquidation or receivership, has full power and authority to own its properties and to conduct its business and is lawfully qualified to do business in those jurisdictions in which business is conducted by it;

- (b) **(corporate power)** it has the corporate power to enter into and perform its obligations under the Transaction Documents to which it is expressed to be a party, to carry out the transactions contemplated by those Transaction Documents and has taken all necessary action to authorise the entry into and performance of those Transaction Documents;
- (c) **(documents binding)** each Transaction Document to which it is expressed to be a party has been duly authorised, executed and delivered by the Issuer is a valid and legally binding obligation, enforceable in accordance with its respective terms subject to principles of equity and laws affecting creditors rights generally and reservations or qualifications as to matters of law in any legal opinions delivered in connection with the issue of the Notes;
- (d) **(Notes validly issued)** the Notes have been duly authorised by the Issuer and, when duly issued in accordance with the Transaction Documents, the Notes will constitute valid and legally binding obligations of the Issuer enforceable in accordance with their terms;
- (e) **(ranking)** the Notes (when issued) will constitute direct, secured, unconditional and unsubordinated obligations of the Issuer and will at all times rank at least *pari passu* without any preference among themselves and with all other present and future secured, unconditional and unsubordinated obligations of the Issuer other than those preferred by statute or applicable law;
- (f) **(security)** its obligations under the Notes (when issued) are secured by, and will have the benefit of, the Security;
- (g) **(transactions permitted)** neither the execution and performance by it of the Transaction Documents to which it is expressed to be a party nor any transaction contemplated under any such Transaction Document will violate in any respect any provision of:
  - (i) any treaty or law and directives (including all environmental, workplace or labour and taxation laws and directives) or any judgment, ruling, order or decree binding on it;
  - (ii) its constituent documents; or
  - (iii) any other document or agreement which is binding upon it or its assets,

in each case where such violation would have a Material Adverse Effect;

- (h) **(benefit)** it benefits by entering into the Transaction Documents to which it is a party;
- (i) **(financial statements):**
  - (i) its most recently published audited consolidated financial statements have been prepared in accordance with NZ GAAP except to the extent of departures from such principles and practices disclosed in such financial statements; and

- (ii) since the date of the last audited consolidated financial statements, there has been no change (nor any development or event reasonably likely involving a prospective change of which the Issuer is, or might reasonably be expected to be, aware) which is materially adverse to its financial condition;
- (j) **(no litigation or disputes)** except as has been expressly disclosed in the Information Memorandum or the audited consolidated financial statements for the financial year ending 31 December 2013:
  - (i) no litigation, arbitration, tax claim, dispute or administrative proceeding; and
  - (ii) no labour dispute with employees of the Group exists nor is there any dispute or disturbance with any of the principal contractors or suppliers or manufacturers,

in each case to which it or any Subsidiary is or could reasonably be expected to be a party, and which will have a Material Adverse Effect, is current or pending or is, to its knowledge, threatened and nor is it nor any Subsidiary is the subject of any governmental action or investigation whether existing or pending;

- (k) **(authorisations)** all authorisations, if any, now obtainable and required in connection with the execution, delivery, performance, validity or enforceability of the Transaction Documents to which it is expressed to be a party and the transactions contemplated by such documents have been obtained or effected and are in full force and effect;
- (l) **(no misrepresentation)** the information contained in the Information Memorandum is, to the knowledge of the Issuer after having made all reasonable enquiries to ensure that such is the case, not misleading or deceptive, or likely to mislead or deceive and there are no other facts in relation thereto, the omission of which would in the context of the issue of the Notes make any statement in the Information Memorandum misleading or deceptive, or likely to mislead or deceive;
- (m) **(opinions)** any statements, opinions and intentions expressed in the Information Memorandum with regard to the Issuer, the Group or the Notes are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions;
- (n) **(disclosure)** all information provided to the Initial Subscriber by or on its behalf in relation to itself, its assets, business or affairs or those of the Initial Guarantor or the Group as a whole was true and correct in all material respects and not misleading or deceptive or likely to mislead or deceive (including by omission) as at the time it was provided;
- (o) **(no default)** no Event of Default will result from the issue of any Notes;
- (p) **(no immunity)** neither it nor any of its Subsidiaries has any immunity from the jurisdiction of a court or from legal process;
- (q) **(AML)** except as has been expressly disclosed in the Information Memorandum, its operations and its Subsidiaries operations are, and have been, concluded in compliance with applicable financial record keeping and reporting requirements of any anti-money laundering laws and neither it, nor any of its Subsidiaries and their respective directors, officers, employees and agents are in compliance with all applicable bribery and anti-corruption laws and directives;



- (r) **(tax)** except as has been expressly disclosed in the Information Memorandum, all required tax returns and reports for the Group have been timely filed or are the subject of an approved extension and all such returns, reports and any tax records are up to date, correct and have been prepared and filed on a property basis and it is not aware of any tax deficiency related to itself or any other member of the Group;
- (s) **(insurance)** except as has been expressly disclosed in the Information Memorandum, the Group has such insurance cover over its assets in such amounts and against such risks and losses of the business carried on by it which are prudent and customary for companies carrying on similar business and nothing has been done or omitted to have been done whereby any such policies would be void or voidable;
- (t) **(not a trustee)** it does not enter into any of the Transaction Documents as trustee;
- (u) **(no benefit to related party)** no person has contravened or will contravene section 208 or section 209 of the Corporations Act by entering into any Transaction Document or participating in any transaction in connection with a Transaction Document; and
- (v) **(no consent)** that either any consent of any financier of any financial indebtedness of the Issuer or its Subsidiaries, or the consent of any other third party, has been obtained or is not required for the execution, delivery and performance of the Transaction Documents by the Issuer, the issuance, sale and delivery of the Notes and the compliance with the terms of, and the consummation of the transactions contemplated by, each of the foregoing.

## 7.2 Initial Guarantors' representations and warranties

Each Initial Guarantor represents and warrants in respect of itself that:

- (a) **(status)** it is a corporation validly existing under the laws of the place of its incorporation, is not in liquidation or receivership or subject to any event which under the laws of any relevant jurisdiction having a similar or analogous effect to a liquidation or receivership, has full power and authority to own its properties and to conduct its business and is lawfully qualified to do business in those jurisdictions in which business is conducted by it;
- (b) **(corporate power)** it has the corporate power to enter into and perform its obligations under the Transaction Documents to which it is expressed to be a party, to carry out the transactions contemplated by those Transaction Documents and has taken all necessary action to authorise the entry into and performance of those Transaction Documents;
- (c) **(documents binding)** each Transaction Document to which it is expressed to be a party has been duly authorised, executed and delivered by the Initial Guarantors is a valid and legally binding obligation, enforceable in accordance with its respective terms subject to principles of equity and laws affecting creditors rights generally and reservations or qualifications as to matters of law in any legal opinions delivered in connection with the issue of the Notes;
- (d) **(ranking)** the Guarantee will constitute a direct, unconditional, secured and unsubordinated obligation of it and will at all times rank at least *pari passu* without any preference with all of its other present and future unconditional, secured and unsubordinated obligations other than those preferred by statute or applicable law;

- (e) **(security)** its obligations under the Guarantee are secured by, and each Holder has the benefit of, the Security;
- (f) **(transactions permitted)** neither the execution and performance by it of the Transaction Documents to which it is expressed to be a party nor any transaction contemplated under any such Transaction Document will violate in any respect any provision of:
  - (i) any treaty or law and directives (including all environmental, workplace or labour and taxation laws and directives) or any judgment, ruling, order or decree binding on it;
  - (ii) its constituent documents; or
  - (iii) any other document or agreement which is binding upon it or its assets,
 in each case where such violation would have a Material Adverse Effect;
- (g) **(benefit)** it benefits by entering into the Transaction Documents to which it is a party;
- (h) **(financial statements):**
  - (i) its most recent audited consolidated financial statements have been prepared in accordance with NZ GAAP (in the case of a Guarantor incorporated in New Zealand) or IFRS (in the case of a Guarantor incorporated in England and Wales) except to the extent of departures from such principles and practices disclosed in such financial statements; and
  - (ii) since the date of the last audited consolidated financial statements, there has been no change (nor any development or event reasonably likely involving a prospective change of which the Initial Guarantors are, or might reasonably be expected to be, aware) which is materially adverse to its financial condition;
- (i) **(no litigation or disputes)** except as has been expressly disclosed in the Information Memorandum, no litigation, arbitration, tax claim, dispute or administrative proceeding to which it could reasonably be expected to be a party, and which will have a Material Adverse Effect, is current or pending or is, to its knowledge, threatened and nor is it nor any Subsidiary is the subject of any governmental action or investigation whether existing or pending;
- (j) **(authorisations)** all authorisations, if any, now obtainable and required in connection with the execution, delivery, performance, validity or enforceability of the Transaction Documents to which it is expressed to be a party and the transactions contemplated by such documents have been obtained or effected and are in full force and effect;
- (k) **(no immunity)** neither it nor any of its Subsidiaries has any immunity from the jurisdiction of a court or from legal process;
- (l) **(not a trustee)** it does not enter into any of the Transaction Documents as trustee; and
- (m) **(no consent)** that either any consent of any financier of any financial indebtedness of the Initial Guarantors, or the consent of any other third party, has been obtained or is not required for the execution, delivery and performance of the Transaction Documents by the Initial Guarantors and

the compliance with the terms of, and the consummation of the transactions contemplated by, each of the foregoing.

### 7.3 Repetition

The representations and warranties in clauses 7.1 ("Issuer's representations and warranties") and 7.2 ("Guarantors' representations and warranties") are taken also to be made (by reference to the then current circumstances) on each date between the date of this agreement and the Issue Date and on the Issue Date.

### 7.4 Reliance

The Issuer and each Initial Guarantor acknowledges that the Initial Subscriber has entered into this agreement in reliance on the representations and warranties in this clause 7.

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## 8 Undertakings

### 8.1 Issuer's undertakings

The Issuer undertakes with the Initial Subscriber that:

- (a) **(warranties)** the Issuer will forthwith notify the Initial Subscriber if, at any time prior to the issue of the Notes under the terms of this agreement, anything occurs, or has occurred, which renders or may render untrue or incorrect in any respect or of any changes affecting any of its representations, warranties, agreements and indemnities herein and will forthwith take such steps as the Initial Subscriber may reasonably require to remedy and/or publicise the fact and will reimburse the Initial Subscriber in respect of any costs incurred by the Initial Subscriber, if any such steps are taken;
- (b) **(update Information Memorandum)** the Issuer will, prior to the Issue Date, withdraw or update the Information Memorandum with supplements as may be considered necessary to comply with clause 7.1(l);
- (c) **(compliance with laws)** the Issuer will comply with all of its obligations under all applicable laws and directives the non-compliance which would have a Material Adverse Effect on its ability to carry out its obligations under the Transaction Documents;
- (d) **(announcements)** the Issuer shall consult with the Initial Subscriber as to the content of any public announcements in connection with the Notes and, if the Initial Subscriber is named in such announcement, not release such an announcement without the Initial Subscriber's consent (not to be unreasonably withheld or delayed);
- (e) **(taxes)** the Issuer shall pay all taxes and stamp duties (including any interest and penalties therein) in connection with the creation, issue and offering of the Notes and execution and delivery of the Transaction Documents;
- (f) **(use of proceeds)** the Issuer shall use the net proceeds from the issue of the Notes in the manner set out in the Information Memorandum; and
- (g) **(information disclosure)** the Issuer shall provide to the Initial Subscriber and make available on its website (<http://www.cblinsurance.com>) to the Initial Subscriber for so long as any of the Notes remain outstanding:

- (i) within 90 days after the close of each financial year, a copy of the Issuer's audited financial statements or the Group's audited consolidated financial statements (if any), each in respect of that financial year;
- (ii) within 45 days after the close of each quarter of the financial year, a quarterly report that sets out various matters, including:
  - (A) an updated commentary on the performance of the Group in respect of that particular quarter;
  - (B) the management accounts of the Issuer and of the members of the Group; and
  - (C) any other matters that may impact the Issuer or the Group;
- (iii) as soon as practicable after the Issuer becomes aware of their existence, information relating to the following events:
  - (A) any material change to the financial forecasts or expectations, value of underlying assets or any financial rating of the Issuer or a member of the Group;
  - (B) any material changes to the Issuer's or the Group's debt funding arrangements, including any material breaches of covenants;
  - (C) the appointment of any external administrator to the Issuer or a member of the Group;
  - (D) any distributions made by the Issuer or a member of the Group; or
  - (E) any other information likely to affect the value of the Notes or any other securities of the Issuer or a member of the Group;
- (iv) all other information or reports regarding the financial condition and operations of the Issuer or the Group as the Initial Subscriber may reasonably request.

## 8.2 Guarantors' undertakings

Each Guarantor undertakes with the Initial Subscriber that it will comply with all of its obligations under all applicable laws, rules, regulations and orders the non-compliance which would have a Material Adverse Effect on its ability to carry out its obligations under the Transaction Documents.

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# 9 Information Memorandum

## 9.1 Issuer to give copies of the Information Memorandum and other documents

The Issuer agrees to give to the Initial Subscriber copies of:

- (a) the Information Memorandum and each supplement to, amendment, or replacement of it; and
- (b) the documents incorporated by reference in it;

in each case in such number as may from time to time reasonably be requested by the Initial Subscriber.

## **9.2 Authority to distribute**

- (a) Subject to clause 6 ("Initial Subscriber's acknowledgments"), the Initial Subscriber is authorised by the Issuer to give to actual and potential purchasers of the Notes copies of the Information Memorandum in accordance with the conditions contained in the Information Memorandum.
- (b) The Issuer may from time to time update, supplement or replace the Information Memorandum and the Initial Subscriber agrees to only distribute the most recent Information Memorandum (as supplemented).
- (c) The Initial Subscriber is not authorised by the Issuer to give any information or make any representation in connection with the Notes or the financial condition or affairs of the Issuer which is not contained in, or consistent with, the most recent Information Memorandum.
- (d) The Issuer is not responsible for any information or representation given or made by the Initial Subscriber in connection with the Notes or the financial condition or affairs of the Issuer which is not contained in the Information Memorandum or any supplement, amendment, or replacement of it.

## **9.3 Responsibility of the Initial Subscriber**

The Issuer acknowledges and agrees that the Initial Subscriber:

- (a) has not been the source of any information contained in the Information Memorandum (other than its name and contact details listed in the Information Memorandum);
- (b) has not caused or authorised the issue of the Information Memorandum;
- (c) has not made any independent verification or undertaken any due diligence concerning the contents of the Information Memorandum; and
- (d) makes no representation or warranty and assumes no responsibility for anything contained in the Information Memorandum (other than as set out in (paragraph (a))).

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# **10 Relationship and confidentiality**

## **10.1 Relationship between parties**

The Initial Subscriber is not:

- (a) a trustee for the benefit of;
  - (b) a partner of; nor
  - (c) has a fiduciary duty to, or other fiduciary relationship with,
- the Issuer or any other person.

## **10.2 Confidentiality**

Each party agrees not to disclose information provided by any other party that is

not publicly available (including the existence of or contents of any Transaction Document) except:

- (a) to any person in connection with an exercise of rights or a dealing with rights or obligations under a Transaction Document;
- (b) to officers, employees, legal and other advisers and auditors of the Issuer or the Initial Subscriber;
- (c) to any party to this agreement or any Related Entity of any party to this agreement, provided the recipient agrees to act consistently with this clause 10.2;
- (d) with the consent of the party who provided the information (such consent not to be unreasonably withheld); or
- (e) as required by any law, a regulator or stock exchange (except that this paragraph does not permit a party to disclose any information under section 275(4) of the PPSA unless section 275(7) of the PPSA applies).

Each party consents to disclosures made in accordance with this clause 10.2.

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## 11 Indemnities

### 11.1 Indemnity

The Issuer (failing whom, the Guarantors jointly and severally) indemnifies, and will keep indemnified, the Initial Subscriber and each of its officers and employees (together, the **"Indemnified Persons"**) against any liability or loss, arising from, and any costs incurred in connection with:

- (a) any loss or expenses which may be sustained or reasonably incurred as a consequence of the Initial Subscriber acting in good faith on the basis of written instructions purportedly given by an Authorised Officer of the Issuer and in respect of the offer and issue of the Notes other than, for the avoidance of doubt, any loss which is sustained by the Initial Subscriber that is referable to the market value (from time to time) of any Notes that the Initial Subscriber holds for its own account and which loss is not directly referable to a breach by the Issuer of its obligations under the Transaction Documents or the Notes;
- (b) any costs, charges and expenses reasonably incurred in connection with any waiver or variation of this agreement or in connection with the enforcement of, or preservation of rights under, this agreement or the Notes;
- (c) any loss, claim cost or expense reasonably incurred or arising out of or in connection with any failure by the Issuer to issue any Notes which the Issuer has become bound to issue in accordance with this agreement, except to the extent that such failure is due to default of the Initial Subscriber;
- (d) any loss, claim, cost or expense reasonably incurred or arising out of or in connection with any breach by the Issuer of its obligations under this agreement or any Notes or any untrue statement, representation or warranty or alleged untrue statement, representation or warranty contained in or made in connection with this agreement; and
- (e) any loss, claim cost or expense reasonably incurred or arising out of or in connection with any untrue, misleading or deceptive statement or any alleged untrue or misleading statement or a statement that is alleged to

be likely to mislead or deceive contained in the Information Memorandum, or any omission or alleged omission to state a material fact, condition, matter or thing from, the Information Memorandum.

No amount is payable under this clause 11.1 to the extent the liability, loss or costs are due to the fraud, misconduct or gross negligence of the Initial Subscriber (or its officers and employees).

The Issuer agrees to pay amounts due under this indemnity on demand from the Initial Subscriber.

## **11.2 Conduct of claims**

The Indemnified Person agrees:

- (a) to consult in good faith with the Issuer as to the identity of the legal advisers to be retained to represent the Indemnified Person in relation to any claim in connection with which it may make a claim on the indemnity in clause 11.1 ("Indemnity");
- (b) to keep the Issuer informed at all times about the status of any such claim and consult with the Issuer about the conduct of the defence of any such claim;
- (c) to conduct the defence of the claim in the same manner it would if it did not have the benefit of the indemnity under clause 11.1 ("Indemnity"); and
- (d) not to settle or compromise any claim without the consent of the Issuer (unless the Issuer has unreasonably withheld or delayed such consent).

## **11.3 Stamp Duty**

The Issuer will be liable for stamp duties, registration fees and other similar duties or taxes from time to time incurred or assessed in respect of this agreement or on the issue of the Notes.

---

# **12 Notices**

## **12.1 Form of notices**

Unless expressly stated otherwise in a Transaction Document, all notices, certificates, consents, approvals, waivers and other communications in connection with a Transaction Document ("**Communications**") must be in writing, signed by a person duly authorised by the sender and marked for attention as set out or referred to in the Details or, if the recipient has notified otherwise, marked for attention in the way last notified.

## **12.2 Delivery**

Communications may be:

- (a) left at the address set out or referred to in the Details or, if the recipient has notified otherwise, marked for attention in the way last notified;
- (b) sent by prepaid post (airmail, if appropriate) to the address set out or referred to in the Details or, if the recipient has notified otherwise, marked for attention in the way last notified;

- (c) sent by fax to the fax number set out or referred to in the Details or, if the recipient has notified otherwise, marked for attention in the way last notified; or
- (d) sent by email to the address as notified by the recipient marked for attention in the way last notified.

However, if the intended recipient has notified a changed postal address, changed fax number or changed email address, then the Communication must be to that address or number.

### **12.3 When effective**

Communications take effect from the time they are taken to be received unless a later time is specified in them.

### **12.4 Receipt - postal**

If sent by post, Communications are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

### **12.5 Deemed receipt - fax**

If sent by fax, Communications are taken to be received at the time shown in the transmission report as the time that the whole fax was sent.

### **12.6 Deemed receipt – email**

If sent by email:

- (a) when the sender receives an automated message confirming delivery; or
- (b) when the sender receives any other proof that the email has been received,

whichever happens first.

### **12.7 Deemed receipt - general**

Despite clauses 12.4 ("Receipt – postal"), 12.5 ("Deemed receipt – fax") and 12.6 ("Deemed receipt – email"), if Communications are received after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day.

---

## **13 General**

### **13.1 Indemnities**

Any indemnity in this agreement is a continuing obligation, independent of a party's other obligations under this agreement and continues after the agreement ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this agreement.

### **13.2 Inconsistent law**

To the extent permitted by law, this agreement prevails to the extent it is inconsistent with any law.



### **13.3 Time of the essence**

Time is of the essence in any agreement in respect of an obligation of a party to pay money.

### **13.4 Variation and waiver**

A provision of this agreement, or right created under it, may not be waived or varied except in writing signed by the party or parties to be bound.

### **13.5 GST gross up**

If any party:

- (a) reasonably decides that it is liable to pay GST on a supply made in connection with a Transaction Document; and
- (b) certifies to the recipient of the supply that it has not priced the supply to include GST,

then, subject to receipt of a valid tax invoice identifying the GST component of the supply, the recipient of the supply agrees to pay that party an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

### **13.6 Input tax credit**

Any costs required to be reimbursed or indemnified under this agreement must exclude any amount in respect of GST included in those costs for which an entitlement arises to claim an input tax credit under any legislation imposing GST.

### **13.7 Counterparts**

This agreement may consist of a number of copies, each signed by one or more parties to the agreement. If so, the signed copies are treated as making up the one document.

### **13.8 Governing law and jurisdiction**

This agreement is governed by the law in force in New South Wales, and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts, to claim that the action has been brought to an inconvenient forum, or to claim that those courts do not have jurisdiction.

### **13.9 Serving documents**

Without preventing any other method of service, any document in a court action may be served on a party by being delivered to or left at that party's address for service of notices under clause 12 ("Notices").

### **13.10 Agent for service of process**

Each of the Issuer and the non-Australian Guarantors appoints Deposit Power Pty Ltd (ABN 49 160 226 442) of Level 10, 28 Margaret Street, Sydney NSW 2000, Australia as its agent to receive any document referred to in clause 13.9 ("Serving documents"). If for any reason that person ceases to be able to act as such, the Issuer or the non-Australian Guarantor will immediately appoint another person with an office located in New South Wales to act as its agent to receive

any such document and will promptly notify the Note Trustee of such appointment.

**EXECUTED** as an agreement

# Subscription Agreement

## Schedule 1 – Initial Guarantors

Name	ABN (or equivalent) and address and other contact details	Jurisdiction of incorporation
LBC Holdings New Zealand Limited	<p>New Zealand company number 4772359</p> <p>Address: Level 8, 51 Shortland Street, Auckland 1010, New Zealand</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	New Zealand
LBC Holdings Europe Limited	<p>New Zealand company number 4774919</p> <p>Address: Level 8, 51 Shortland Street, Auckland 1010, New Zealand</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	New Zealand
LBC Holdings UK Limited	<p>New Zealand company number 4774859</p> <p>Address: Level 8, 51 Shortland Street, Auckland 1010, New Zealand</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	New Zealand
Intercede 2408 Limited	<p>United Kingdom company number 07550811</p> <p>Address: 12 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1PA, United Kingdom</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	United Kingdom

Name	ABN (or equivalent) and address and other contact details	Jurisdiction of incorporation
European Insurance Services Limited	<p>United Kingdom company number 05681736</p> <p>Address: 12 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1PA, United Kingdom</p> <p>Fax: + 64 9 300 5046</p> <p>Phone: + 64 9 303 4770</p> <p>Attention: Chief Financial Officer</p>	United Kingdom

# Subscription Agreement

## Schedule 2 – Form of Verification Certificate

To: FIIG Securities Limited (ABN 68 085 661 632)  
("Lead Manager and Initial Subscriber")

[•] 2014

CBL Corporation Limited (New Zealand company number 3888838) ("Issuer")

Intercede 2408 Limited (English company number 07550811)  
European Insurance Services Limited (English company number 05681736)  
(together, the "Initial Guarantors")

Issue of A\$[•] [[•]]% Fixed Rate / Floating Rate] Notes due [•] ("Notes")

I, [*insert name*], an Authorised Officer of [name of Initial Guarantor], refer to the Subscription Agreement dated [•] 2014 between the Issuer, the Initial Guarantors and the Lead Manager and Initial Subscriber in relation to the Notes ("**Subscription Agreement**"). Terms defined in the Subscription Agreement shall have the same meanings when used in this Certificate.

### 1 Documents

I hereby certify that the copies of those documents referred to below and attached to this Certificate are true, correct and complete copies of the originals and are in full force and effect as of the date of this Certificate:

- (a) the constituent documents of [name of Initial Guarantor]; and
- (b) the extracts of resolutions of the Board of Directors of [name of Initial Guarantor] authorising [the issue of the Notes and/or the execution of the Transaction Documents].

### [2] Initial Guarantors' confirmations

I confirm on behalf of [name of Initial Guarantor] that as at the date of this Certificate, and will be deemed to have confirmed on the Issue Date, that for the purposes of clause 4.1 ("Conditions to issue"), the representations and warranties of the Initial Guarantors (with respect to [name of Initial Guarantor]) in the Subscription Agreement are true, accurate and correct in all respects and not misleading or deceptive or likely to mislead or deceive at, and as if made on, such date.]

### 3      **Authorised Officers**

Set out in the Schedule to this Certificate is a list of names, titles and specimen signatures of each Authorised Officer of [name of Initial Guarantor] for the purposes of the Subscription Agreement.

.....

[insert name]

[insert title]

For and on behalf of

[Intercede 2408 Limited]

[European Insurance Services Limited]

## SCHEDULE

Name	Title	Specimen Signature
------	-------	--------------------

# Subscription Agreement

## Schedule 3 – Form of Director's Certificate

To: [Name and address of Initial Subscriber]

And to: [•]

I, [•], a director of [•] (Company), certify as follows:

### 1 Board Resolutions

1.1 The board of directors of the Company (Board) has passed all necessary resolutions to:

- (a) approve the transactions (Transactions) contemplated by the document[s] listed in the schedule (Document[s]), and the Document[s] [themselves][itself];
- (b) authorise signing of the Document[s] by or on behalf of the Company in the manner in which [they have][it has] actually been signed; and
- (c) authorise the persons specified in paragraph 10 to give any notices and other communications, and take any other action required, under or in connection with the Document[s] on behalf of the Company.

1.2 The resolutions were duly passed[

Option 1: *<in writing signed by [all of] the directors of the Company [entitled to receive notice of a meeting of the Board].>*

Option 2: *<at a meeting of the Board which was properly convened and in respect of which all quorum requirements were duly observed.>*

1.3 The resolutions remain in full force and effect.

### 2 Directors' Self Interested Transactions

2.1 [Option 1: *<To the best of my knowledge and belief after making due enquiry [of each other director (as that term is defined in section 126 of the Companies Act 1993 (Act)) of the Company], none of the directors (as so defined) of the Company has an interest (as that term is defined in section 139 of the Act) in the Transactions.>*

Option 2: *<After making due enquiry, it has been determined that one or more of the Company's directors (as that term is defined in section 126 of the Companies Act 1993 (Act)) is, or may be, interested (as that term is defined in section 139 of the Act) in the Transactions and such interests have been entered in the interests register accordingly. The Transactions have been disclosed to all shareholders of the Company.*

All of the Company's entitled persons have agreed in writing (pursuant to section 107(3) of the Act) to the Company's entry into and performance of the Document[s] and the Transactions (so that nothing in sections 140 and 141 of the Act will apply to the Transactions).>]



- 2.2 In approving the Document[s] and the Transactions, the Board, after taking into account all relevant factors, is of the view that the Company is receiving or will receive fair value under them.

### **3 Corporate Benefit**

- 3.1 In approving the Document[s] and the Transactions, the Board, after taking into account all relevant factors, is of the view[

Option 1: *<that the Company's entry into and performance of the Document[s] and the Transactions is in the best interests of the Company.>*

Option 2: *<(pursuant to an express provision in the constitution of the Company) that the Company's entry into and performance of the Document[s] and the Transactions is in the best interests of the Company's holding company[ and as the Company is not a wholly owned subsidiary of the Company's holding company the prior agreement to the Company's entry into and performance of the Document[s] and the Transactions has been obtained from all of the Company's shareholders, other than that holding company].>*

### **4 Shareholder Resolutions**

- 4.1 [Option 1: *<It has been determined that the Transactions are a Major Transaction for the purposes of section 129 of the Act. Accordingly, [all of] the shareholders of the Company have by special resolution:*

- (a) *approved the Document[s] and the Transactions; and*
- (b) *confirmed, approved and ratified the resolutions of the Board referred to above.>]*

Option 2: *<It has been determined that the Transactions do not constitute a Major Transaction for the purpose of section 129 of the Act.>]*

### **5 Due Execution**

- 5.1 [Each of the][The] Document[s] has been properly signed and delivered by the Company.

### **6 Solvency**

- 6.1 I am not aware of any liquidation proceedings which have been commenced against the Company by any person, or which are intended or anticipated by the Company.

- 6.2 After making due enquiry, the Board is of the view that the Company:

- (a) is able to pay its due debts;
- (b) will be able to pay its due debts when it enters into the Transactions;
- (c) will not become unable to pay its due debts as a result of entering into the Transactions[; and
- (d) if the Transactions involve a disposition of property, is not a person to whom any of the criteria in section 346(2) of the Property Law Act 2007 applies].

**7 Financial Assistance**

- 7.1 The Transactions do not include or involve any provision by the Company (directly or indirectly) of financial assistance in connection with the acquisition of a share issued or to be issued by the Company or its holding company.

**8 Constitution**

- 8.1 [Option 1: *<The Company does not have a constitution.>*

OR

- 8.2 Option 2: *<The copy of the constitution of the Company held on its records as maintained on the Companies Office website as at the date of this certificate is complete and includes all alterations to date.>*

**9 Authorisations**

- 9.1 [Option 1: *<All consents and other authorisations required by the Company in connection with the entry into, execution and performance of the Documents and the Transactions have been obtained on an unconditional and unqualified basis and remain in full force and effect.>*

OR

- 9.2 Option 2: *<No consents or other authorisations are required by the Company in connection with the entry into, execution and performance of the Documents or the Transactions.>*

**10. [Authorised Signatories]**

- 10.1 The following are the true signatures of the persons who have been authorised ([any one of them acting alone][any two of them acting together]) to give any notices and other communications, and to take any other action required, under or in connection with the Document[s] on behalf of the Company.

Name	Position	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

Signed by: \_\_\_\_\_ Date: \_\_\_\_\_  
Director

**Schedule of Documents**

# Subscription Agreement

## Signing page

DATED: 15 April 2014

### ISSUER

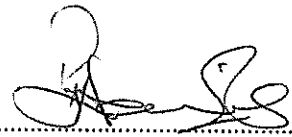
EXECUTED by CBL CORPORATION  
LIMITED (New Zealand company  
number 388838):



Signature of director

ACR HANNON

Name of director (block letters)



Signature of director

PETER HARRIS

Name of director (block letters)

**INITIAL GUARANTORS**

**EXECUTED by LBC HOLDINGS NEW  
ZEALAND LIMITED** (New Zealand  
company number 4772359):

.....  
Signature of witness  
.....  
Name of witness (block letters)  
.....  
Address of witness **Christopher Leslie Ashton**  
**Solicitor**  
**Auckland**  
.....  
Occupation of witness

.....  
Signature of director  
.....  
Name of director (block letters)

**EXECUTED by LBC HOLDINGS  
EUROPE LIMITED** (New Zealand  
company number 4774919):

.....  
Signature of witness  
.....  
Name of witness (block letters)  
.....  
Address of witness **Christopher Leslie Ashton**  
**Solicitor**  
**Auckland**  
.....  
Occupation of witness

.....  
Signature of director  
.....  
Name of director (block letters)

**EXECUTED by LBC HOLDINGS UK  
LIMITED** (New Zealand company  
number 4774859):

.....  
Signature of witness  
.....  
Name of witness (block letters)  
.....  
Address of witness **Christopher Leslie Ashton**  
**Solicitor**  
**Auckland**  
.....  
Occupation of witness

.....  
Signature of director  
.....  
Name of director (block letters)

EXECUTED by INTERCEDE 2408  
LIMITED (English company number  
07550811):

.....  
Signature of witness

.....  
Name of witness (block letters)

..... Christopher Leslie Ashton  
Address of witness Solicitor

.....  
Occupation of witness Auckland

.....  
Signature of director

.....  
Name of director (block letters)

EXECUTED by EUROPEAN  
INSURANCE SERVICES LIMITED  
(English company number 05671736):

.....  
Signature of witness

.....  
Name of witness (block letters)

..... Christopher Leslie Ashton  
Address of witness Solicitor

.....  
Occupation of witness Auckland

.....  
Signature of director

.....  
Name of director (block letters)

LEAD MANAGER AND INITIAL SUBSCRIBER

EXECUTED by FIB SECURITIES  
LIMITED (ABN 68 085 661 632) in  
accordance with section 127(1) of the  
Corporations Act 2001 (Cwlth) by  
authority of its directors:

  
.....  
Signature of director

  
.....  
Name of director (block letters)

  
.....  
Signature of director/company secretary\*  
\*delete whichever is not applicable

  
.....  
Name of director/company secretary\*  
(block letters)

\*delete whichever is not applicable

Certified to be a true and correct copy  
of the original.

Date: ... 1 MAY 2014 .....

Signed: ...  .....

Name (Print): ANGELA CHUNG  
SOLICITOR, KING & WOOD MALESONS

LBC HOLDINGS EUROPE LIMITED

PERMANENT CUSTODIANS LIMITED

## SECURITY OVER SHARES DEED

William Fry  
Solicitors  
Fitzwilton House  
Wilton Place  
Dublin 2  
[www.williamfry.ie](http://www.williamfry.ie)

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THIS DEED is made on 16 April 2014.

BETWEEN

- (1) **LBC HOLDINGS EUROPE LIMITED**, a company incorporated in New Zealand with registered number 4774919 and having its registered office at Level 8, 51 Shortland Street, Auckland, 1010, New Zealand (the **Chargor**); and
- (2) **PERMANENT CUSTODIANS LIMITED**, a company incorporated in Australia with registered number ABN 55 001 426 384 and having its registered office at Level 2, 35 Clarence Street, Sydney NSW 2000, Australia (the **Security Trustee**).

Recitals:

- A. CBL Corporation Limited, company incorporated with limited liability in New Zealand (the **Issuer**) and BNY Trust Company of Australia Limited, as Note Trustee (the **Note Trustee**), amongst others, have entered into a note trust deed dated on or about the date hereof to provide for the issuance of 8.25% Senior Secured Notes due 2019.
- B. Pursuant to the Note Trust Deed, it is required that the Chargor shall execute and deliver to the Security Trustee this Deed.
- C. The Noteholders (as defined in the Note Trust Deed) have agreed to purchase the Notes from the Issuer subject to the terms and conditions in the Note Trust Deed. The Chargor is a subsidiary of the Issuer, and has derived substantial benefits from the issuance of the Notes pursuant to the Note Trust Deed.
- D. To secure the payment and performance in full of the Secured Money under the Transaction Documents, the Chargor desires to grant a security interest to the Security Trustee, as agent and representative of and on behalf of and for the benefit of the Beneficiaries.
- E. It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS HEREBY AGREED as follows:

**1. Definitions and interpretation**

- 1.1 In this Deed the following expressions shall have the following meanings, and terms not defined herein shall have the meanings set out in the Security Trust Deed:

**Act** means the Land and Conveyancing Law Reform Act 2009.

**Charged Portfolio** means the Shares and the Related Assets.

**Charges** means all or any of the Security Interests created or expressed to be created pursuant to this Deed.

**Collateral Rights** means all rights, powers, remedies and privileges of the Security Trustee provided by this Deed, the Transaction Documents or by law.

**Company** means CBL Insurance Europe Limited, an Irish incorporated company, with registered number 218234 and having its registered office at 13-17 Dawson Street, Dublin 2, Ireland.

**Default Rate** means the rate payable from time to time in respect of overdue amounts specified in the Transaction Documents.

**Event of Default** has the meaning given to it in the Security Trust Deed.

**Note Trust Deed** means the note trust deed dated on or about the date of this Deed between among others (1) the Issuer, (2) the Security Providers and (3) the Note Trustee.

**Note Trustee** means BNY Trust Company of Australia Limited (ABN 49 050 294 052) or any person who becomes the "Note Trustee" under the Note Trust Deed.

**Receiver** means any one or more receivers and/or managers appointed by the Security Trustee in respect of all or any part of the Charged Portfolio.

**Related Assets** means, in relation to any Share, all present and future:

- (a) dividends and distributions of any kind and any other sum received or receivable in respect of that Share;
- (b) rights, shares, money or other assets accruing or offered by way of pre-emption, redemption, purchase, bonus, option, preference, substitution, conversion, consolidation, merger, arrangement or otherwise in respect of that Share;
- (c) allotments, offers and rights accruing or offered in respect of that Share; and
- (d) other rights and assets attaching to, deriving from or exercisable by virtue of the ownership of, that Share.

**Security Trust Deed** means the deed entitled "Security Trust Deed – CBL Corporation Security Trust" dated on or about the date of this Deed between, among others, (1) the Chargor and (2) the Security Trustee.

**Secured Money** means all money which:

- (a) at any time;
- (b) for any reason or circumstance in connection with the Transaction Documents (including transactions in connection with them);
- (c) whether arising under law or otherwise (including liquidated or unliquidated damages for default or breach of any obligation); and
- (d) whether or not of a type within the contemplation of the parties at the date of this deed:
  - (i) a Security Provider is or may become actually or contingently liable to pay to a Beneficiary; or
  - (ii) a Beneficiary has advanced or paid on a Security Provider's behalf or at a Security Provider's express or implied request; or
  - (iii) a Beneficiary is liable to pay by reason of any act or omission on a Security Provider's part or that the Beneficiary has paid or advanced in protecting or maintaining the Secured Property or a Transaction Document following an act or omission on a Security Provider's part; or
  - (iv) a Security Provider would have been liable to pay the Beneficiary but the amount remains unpaid by reason of the Security Provider's Insolvency.

This definition applies:

- (i) irrespective of the capacity in which the Security Provider or the Beneficiary became entitled to, or liable in respect of, the amount concerned;

- (ii) whether the Security Provider or the Beneficiary is liable as principal debtor, as surety, or otherwise;
- (iii) whether the Security Provider is liable alone, or together with another person;
- (iv) even if the Security Provider owes an amount or obligation to the Beneficiary because it was assigned to the Beneficiary, whether or not:
  - (A) the assignment was before, at the same time as, or after the date of this deed; or
  - (B) the Security Provider consented to or was aware of the assignment; or
  - (C) the assigned obligation was secured before the assignment;
- (v) even if a Transaction Document was assigned to the Beneficiary, whether or not:
  - (A) the Security Provider consented to or was aware of the assignment; or
  - (B) any of the Secured Money was previously unsecured; or
- (vi) if the Security Provider is a trustee, whether or not it has a right of indemnity from the trust fund.

**Shares** means:

- (a) all present and future shares of any class in the Company, including the shares held or acquired by the Chargor and all beneficial and other interests in such shares issued and outstanding at the date of this Deed described in Schedule 1 (Shares);
- (b) all rights relating to any of those shares which are deposited with or registered in the name of, any depositary, custodian, nominee, clearing house or system, investment manager or other similar person or their nominee, in each case whether or not on a fungible basis (including any rights against any such person); and
- (c) all warrants, options and other rights to subscribe for, purchase or otherwise acquire any of these interests.

**Transaction Document** has the meaning given to it in the Security Trust Deed.

## 1.2 Interpretation

- (a) In this Deed, unless the contrary intention appears, a reference to:
  - (i) an **amendment**, includes a supplement, amendment, novation, restatement or re-enactment and **amended** is to be construed accordingly;
  - (ii) **assets**, includes present and future properties, revenues and rights of every description;
  - (iii) an **authorisation**, includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
  - (iv) **company**, includes a corporation or a body corporate;
  - (v) **Chargor**, means the Chargor, its successors and permitted assigns;

- (vi) **dispose**, means to sell, transfer, grant, lease, lend, grant options over or otherwise dispose of and **disposal** is to be construed accordingly;
  - (vii) **examiner**, means an examiner appointed under the provisions of the Companies Acts 1990 to 2013;
  - (viii) a provision or matter **including** or which **includes** shall be construed without limitation to any events, circumstances, conditions, acts or matters listed or specified after those words;
  - (ix) the **Security Trustee** shall mean the Security Trustee, its successors, assigns, participants and novatees and this Deed shall be enforceable notwithstanding any change in the constitution of the Security Trustee or the absorption of the Security Trustee in or amalgamation with any other person or the acquisition of all or part of the undertaking of the Security Trustee by any other person;
  - (x) a **person**, includes any individual, company, government, state, agency, organisation, association, body, department, trust, partnership (whether or not having separate legal personality) or any other entity of any description;
  - (xi) a **regulation**, includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (xii) **subsidiary** and **holding company**, means a subsidiary or a holding company as defined by Section 155 Companies Act, 1963 and **subsidiaries** and **holding companies** and cognate words shall be construed accordingly;
  - (xiii) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
  - (xiv) a Clause, a Subclause or a Schedule is a reference to a clause or subclause of, or a schedule to, this Deed;
  - (xv) the singular includes the plural and vice versa;
  - (xvi) words denoting the neuter shall include the masculine and feminine and vice versa; and
  - (xvii) a document is a reference to that document (including, but not limited to, any Transaction Document) as amended, restated, novated, varied, supplemented or replaced from time to time.
- (b) Unless the contrary intention appears, the index to and the headings in this Deed do not affect its interpretation.
- (c) If the Security Trustee considers that an amount paid by the Chargor to the Security Trustee under any Finance Document is capable of being avoided or otherwise set aside on the liquidation or examinership of the Chargor or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes hereof.

(d) Notwithstanding anything to the contrary in this Deed, the obligations, liabilities and undertakings under this Deed shall be deemed not to be undertaken or incurred to the extent that the same would:

- (i) constitute unlawful financial assistance prohibited by Section 60 of the Companies Act 1963 (or any analogous provision of any other applicable law); or
- (ii) constitute a breach of Section 31 of the Companies Act 1990 (or any analogous provision of any other applicable law).

### 1.3 Certificates

Any certificate or determination of the Security Trustee as to any amounts owing under this Deed will be conclusive and binding on the Chargor, save in the case of manifest error.

### 1.4. Liability of Security Trustee

The Security Trustee enters into this document as trustee of the Security Trust and each party to this document agrees that:

- (a) the obligations of the Security Trustee under this document are subject to the terms of the Security Trust Deed; and
- (b) without limiting paragraph (a), clauses 2.1 ("Limitation of liability"), 2.2 ("Exoneration"), 2.4 ("No action against the Security Trustee personally"), 2.5 ("Exception"), 2.6 ("Other parties"), 2.7 ("Extent of exceptions") and 2.8 ("Liabilities must be limited and must be indemnified") of the Security Trust Deed apply to this document as if they were set out in full in this document with any necessary amendments to clause references.

## 2. Articles of association

Forthwith upon the execution of this Deed and subject to the prior written approval of the Central Bank Of Ireland (if required), the Chargor shall procure the amendment of the Articles of Association of the Company to provide that, notwithstanding anything elsewhere contained therein the Shares may be transferred (i) to the Security Trustee and (ii) by the Security Trustee to any designee thereof, to any Receiver appointed by it and to any purchaser(s) from it and (iii) by any Receiver appointed by the Security Trustee to any purchaser(s) from him; in each such case without any rights of pre-emption applying to such transfer(s) and such that the Board of Directors of the Company shall be required to register such transfer(s) subject only to the stamping thereof and shall not be entitled to refuse such consent.

## 3. Covenant and charge

3.1 This charge is given for good consideration and the Chargor shall pay the Secured Money when due in accordance with its terms or, if they do not specify a time for payment, immediately on demand by the Security Trustee.

3.2 The Chargor, as legal and beneficial owner free from any Security Interest, charges the Charged Portfolio, by way of first fixed charge, in favour of the Security Trustee for the payment and discharge of all of the Secured Money.

## 4. Deposit of certificates

4.1 The Chargor shall, on the date of this Deed and, on every occasion upon which Shares are acquired by it after the date of this Deed, deposit (or procure there to be deposited) with the Security Trustee, or as it directs, all certificates and other documents of title to the Shares, and stock transfer forms (executed by or on behalf of the Chargor and/or other registered

owner(s) of such Shares) in respect of the Shares and shall promptly deliver to the Security Trustee, or as it directs, any other document relating to the Shares which the Security Trustee requires.

4.2 The Chargor shall, promptly upon the accrual, offer or issue of any Related Assets (in the form of stocks, shares, warrants or other securities) in which the Chargor has a beneficial interest, procure the delivery to the Security Trustee of (a) all certificates and other documents of title representing those Related Assets and (b) such stock transfer forms or other instruments of transfer (executed in blank by or on behalf of the Chargor) in respect of those Related Assets as the Security Trustee may request.

4.3 The Chargor shall, on the date of this Deed, deliver to the Security Trustee:

- (a) an executed dividend mandate in the form set out in Schedule 2; and
- (b) an executed letter of authority in the form set out in Schedule 3.

## **5. Voting rights and dividends**

5.1 Prior to the occurrence of an Event of Default, the Chargor shall be entitled to:

- (a) receive, deal with and retain released from the Charges all dividends, interest and other monies arising from the Charged Portfolio subject to any restrictions in the Security Trust Deed; and
- (b) exercise all voting rights and benefits in relation to the Charged Portfolio PROVIDED THAT the Chargor shall not (without the prior written consent of the Security Trustee) exercise such voting rights in any manner, or otherwise permit or agree to any (i) variation of the rights attaching to or conferred by all or any part of the Charged Portfolio, or (ii) increase in the issued share capital of the Company, in either case (i) or (ii) above, which in the opinion of the Security Trustee would prejudice:
  - (i) the value of, or the ability of the Security Trustee to realise, the Charges; or
  - (ii) the interests of the Security Trustee under the Transaction Documents.

5.2 Upon the occurrence of an Event of Default, the Security Trustee may, at its discretion and, (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):

- (a) exercise (or refrain from exercising) any voting rights or any other rights in respect of the Charged Portfolio;
- (b) apply all dividends, interest and other monies arising from the Charged Portfolio as though they were the proceeds of sale under this Deed;
- (c) transfer the Charged Portfolio into the name of such nominee(s) of the Security Trustee as it shall require; and
- (d) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Charged Portfolio, including the right, in relation to any company whose shares or other securities are included in the Charged Portfolio, to concur or participate in:
  - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);

- (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
- (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Security Trustee thinks fit, and the proceeds of any such action shall form part of the Charged Portfolio.

## **6. Chargor's representations and undertakings**

6.1 The Chargor represents and warrants to the Security Trustee and undertakes for the duration of this Deed that:

- (a) it is, and will be, the sole legal and beneficial owner of the Charged Portfolio free from any Security Interest;
- (b) it has not sold, transferred or disposed of, and will not sell or agree to sell or dispose of, the benefit of all or any of its rights, title and interest in the Charged Portfolio;
- (c) it has and will have the necessary power to enable it to enter into and perform his/its obligations under this Deed;
- (d) this Deed constitutes its legal, valid and binding obligation and is an effective security over the Charged Portfolio;
- (e) all necessary authorisations to enable it to enter into this Deed have been obtained and are, and will remain, in full force and effect;
- (f) the Shares are duly authorised, validly issued and fully paid and freely transferable. There are no moneys, options or liabilities outstanding or payable in respect of any of the Shares; and
- (g) the Shares constitute 100% (one hundred per cent) of the share capital in the Company and no person has or is entitled to any conditional or unconditional option, warrant or other right to subscribe for, purchase or otherwise acquire any issued or unissued Shares, or any interest in Shares, in the capital of the Company.

6.2 The Chargor shall not:

- (a) create, grant or permit to exist (i) any Security Interest over or (ii) any restriction on the ability of the Chargor or the Security Trustee to transfer or realise, all or any part of the Charged Portfolio;
- (b) sell, transfer, assign or dispose of all or any part of the Charged Portfolio or enter into any agreement to sell, lease, transfer, assign or dispose of any of the Charged Portfolio;
- (c) permit or authorise the issue of any further shares or other securities in the Company; or
- (d) make any amendments to the memorandum and articles of association of the Company save as may be required to give effect to the terms of this Deed,

except, in each case, as permitted by Clause 5.1.

6.3 The Chargor undertakes, for the duration of this Deed:

- (a) to pay all calls or other payments due in respect of any part of the Charged Portfolio;
- (b) to promptly execute and/or deliver to the Security Trustee a copy of each circular, notice, report, set of accounts or other documents received by it or its nominee in connection with any Share;
- (c) to promptly notify the Security Trustee of its acquisition of, or agreement to acquire any Shares; and
- (d) to promptly notify the Security Trustee of the declaration, payment, allotment, offer or issue of any Related Assets.

6.4 If the Chargor fails to make any payment referred to in Clause 6.3(a) above, the Security Trustee may make that payment on behalf of the Chargor and any sums so paid by the Security Trustee shall be reimbursed by the Chargor on demand, together with interest on those sums. Such interest shall be calculated at the Default Rate.

6.5 The Chargor shall not do, or permit to be done, anything which could prejudice the Charges.

6.6 If the Shares are not held in the Chargor's name other than pursuant to this Deed, the Chargor shall promptly deliver to the Security Trustee an irrevocable power of attorney expressed to be given by way of security and executed as a deed by the person in whose name that share is held. That power of attorney shall appoint the Security Trustee and each Receiver, as the attorney of the holder and shall be in such form as the Security Trustee requires.

## **7. Further assurance**

7.1 The Chargor shall promptly execute all documents (including transfers) and do all things that the Security Trustee may reasonably specify for the purpose of:

- (a) exercising the Collateral Rights; or
- (b) securing and perfecting the Charges or the priority of the Charges or, upon the occurrence of an Event of Default, title to all or any part of the Charged Portfolio;

including, without limitation, executing any transfer, conveyance, charge, assignment or assurance of all or any part of the Charged Portfolio, making any delivery or payment of all or any part of the Charged Portfolio whether in each case to the Security Trustee or its nominees or otherwise making any registration and giving any notice, order or direction.

7.2 At any time after the occurrence of an Event of Default, and subject to the approval of the Central Bank of Ireland, the Chargor shall immediately upon demand from the Security Trustee, (a) procure the transfer of the Charged Portfolio into the name of the Security Trustee or its nominee(s), agents or such purchasers as it shall direct and (b) do all other things that the Security Trustee may require to facilitate the realisation of the Charged Portfolio including, without limitation, executing any transfer, conveyance, charge, assignment or assurance of all or any part of the Charged Portfolio, making any delivery or payment of all or any part of the Charged Portfolio whether in each case to the Security Trustee or its nominees or otherwise making any registration and giving any notice, order or direction.

## **8. Power of attorney**

The Chargor, by way of security, irrevocably appoints the Security Trustee and, also as a separate appointment, any Receiver appointed hereunder to be its attorney and proxy and in its name, on its behalf and as its act and deed, and at such time and in such manner as the



attorney and proxy thinks fit, to execute, deliver and perfect all documents and do all things which the attorney and proxy may consider to be required or desirable for:

- (a) carrying out any obligation imposed on the Chargor under this Deed and any other Finance Document to which it is party (including, without limitation, the execution and delivery of any charges, stock transfer forms, transfers, conveyances, assignments, assurances, other instruments, notices, orders and directions relating to the Charged Portfolio or required to protect the priority of or to perfect the Charges);
- (b) enabling the Security Trustee and/or any such Receiver(s) to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to any of the Transaction Documents or by law, (including after the Charges have become enforceable, the exercise of any right of a legal or a beneficial owner of the Charged Portfolio); and
- (c) waive notice of general meetings of the Company, attend such meetings and vote the Shares at such meetings, to sign resolutions in writing of the shareholders, and to appoint nominees, proxies and/or authorised representatives to do any or all of such things.

The Chargor ratifies and confirms and shall ratify and confirm all things done and all documents executed by any attorney, appointed pursuant to this Clause 8, in the exercise or purported exercise of any of its powers.

## **9. Rights and powers of the Security Trustee**

### **9.1 Enforcement of security**

The Charges shall become enforceable upon the occurrence of an Event of Default. At any time after the Charges shall have become enforceable, and subject to the approval of the Central Bank of Ireland, the Security Trustee may, in its absolute discretion:

- (a) enforce all or any part of the Charges in any manner it sees fit and the power of sale and other powers conferred on mortgagees by the Act shall apply to this Deed in each case as varied or extended by this Deed without the need to obtain the consent of the Chargor or an order for possession under Sections 97 or 98 of the Act;
- (b) without further notice or demand, enter into possession of the Charged Portfolio (or any part thereof); and/or
- (c) sell, call in, collect, convert into money or otherwise deal with the Charged Portfolio (or any part thereof).

PROVIDED THAT Section 99 of the Act shall not apply to this Deed and neither the Security Trustee nor any Receiver shall be obliged to take any steps to sell the Charged Portfolio (or any part thereof) after going into possession of the Charged Portfolio (or any part thereof) and the Security Trustee and any Receiver shall have absolute discretion as to the time of exercise of the power of sale and all other powers conferred on them by the Act or otherwise. The rights of the Security Trustee and any Receiver are without prejudice to and in addition to any right of possession (express or implied) to which the Security Trustee and/or any Receiver is otherwise entitled (whether by virtue of this Deed, operation of law, contract or otherwise).

### **9.2 Power of sale**

At any time after the Charges have become enforceable the power of sale and all other powers conferred on mortgagees by the Act shall be exercisable immediately without the need:

- (a) for the occurrence of any of the events specified in sub-sections (a) to (c) of section 100(1) of the Act; or
- (b) to give notice as specified in the final proviso to section 100(1) of the Act; or
- (c) to obtain the consent of the Chargor or a court order authorising the exercise of the power of sale under sections 100(2) or (3) of the Act; or
- (d) to give any notice to the Chargor under section 103(2) of the Act.

Section 94 of the Act shall not apply to any of the Charges or any enforcement of such Charges.

#### 9.3 Due date for statutory purposes

For the purpose of all powers implied by statute (but not otherwise), the Secured Money are deemed to have become due on the date of this Deed.

#### 9.4 Non-applicability of Sections 92 and 94 of the Act

Section 92 of the Act shall not apply to this Deed. Section 94 of the Act shall not apply to the Charges or any enforcement of such Charges.

#### 9.5 Position of third parties

No person (including a purchaser) dealing with the Security Trustee or any Receiver or its or his agents will be concerned to enquire:

- (a) whether any of the Secured Money have become payable or remain due; or
- (b) whether due notice has been given to any person; or
- (c) whether any power which the Security Trustee or any Receiver is purporting to exercise has become exercisable or has been or is being properly exercised; or
- (d) whether the Receiver is authorised to act; or
- (e) how any money paid to the Security Trustee or to any Receiver is to be applied,

and all protections to purchasers contained in sections 105, 106 and 108(5) of the Act shall apply to any person (including a purchaser) dealing with the Security Trustee or any Receiver in like manner as if the statutory powers of sale and appointing a receiver had not been varied or extended by this Deed.

#### 9.6 Receipt of good discharge

Upon any sale, calling in, collection or conversion or other dealing under any of the provisions herein contained the receipt of the Security Trustee or any Receiver for the purchase money of the Charged Portfolio sold or for any other monies paid to it shall effectually discharge the purchaser or person paying the same therefrom and from being concerned to see to the application or the loss or misapplication thereof.

#### 9.7 Application of monies

Notwithstanding section 109 of the Act, the Security Trustee shall hold the monies arising from any exercise of the powers of sale or conversion upon trust from which it shall apply such monies towards the discharge of the Secured Money in accordance with the priority specified in the Security Trust Deed. This clause is subject to:

- (a) any claims ranking in priority to the security created under this document; and

- (b) any mandatory provisions of law.

## **10. Appointment of receiver**

### **10.1 Power of appointment**

At any time after the Charges shall have become enforceable (and so that no delay or waiver of the right to exercise the powers hereby conferred shall prejudice the future exercise of such powers) and without the need for the occurrence of any of the events specified in section 108(1)(a) to (c) inclusive of the Act, the Security Trustee may without further notice by writing under the hand of any director, general manager, assistant general manager or secretary for the time being of the Security Trustee or any person authorised by any one of them in writing appoint a Receiver of the Charged Portfolio or any part thereof and remove any Receiver so appointed and appoint another or others in his stead and the following provisions shall have effect:

- (a) such appointment may be made either before or after the Security Trustee shall have entered into or taken possession of the Charged Portfolio or any part thereof;
- (b) such Receiver shall have and be entitled to exercise all powers conferred by the Act in the same way as if the Receiver had been duly appointed under the Act and shall furthermore, but without limiting any powers hereinbefore referred to, have power:
  - (i) to enter upon, take possession of, collect and get in the Charged Portfolio and for that purpose to take any proceedings in the name of the Chargor;
  - (ii) to sell or concur in selling the Charged Portfolio or any part thereof and to carry such sale into effect and by deed in the name and on behalf of the Chargor or otherwise convey the same to the purchaser thereof;
  - (iii) to make any arrangement or compromise which he shall think expedient in the interests of the Security Trustee;
  - (iv) to redeem any prior encumbrance and to settle and prove the accounts of the encumbrancer and accounts so settled and proved shall be conclusive and binding on the Chargor and the money so paid shall be a receivership expenses;
  - (v) to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a credit of the Chargor or relating in any way to the Charged Portfolio or any part thereof; and
  - (vi) to do all such other acts and things as maybe considered to be incidental or conducive to any of the matters and powers aforesaid and which the Receiver may or can lawfully do as agent for the Chargor;
- (c) unless otherwise directed by the Security Trustee, such Receiver may also exercise all the powers and authority vested in the Security Trustee by these presents and in particular all powers vested in the Security Trustee by Clause 10 of this Deed;
- (d) the Security Trustee may from time to time fix the remuneration of such Receiver and direct payment thereof out of the Charged Portfolio but the Chargor alone shall be liable for such remuneration;
- (e) the Security Trustee may from time to time or at any time require such Receiver to give security for the due performance of his duties as such Receiver and may fix

the nature and amount of security to be so given but the Security Trustee shall not be bound in any case to require any such security;

- (f) the Security Trustee shall be in no way responsible for any misconduct or negligence on the part of such Receiver;
- (g) subject as provided in Clause 9 and elsewhere in this Deed the provisions of any relevant enactment conferring powers on a mortgagee or Receiver shall apply to and be deemed to be conferred upon any Receiver appointed hereunder as if such provisions and powers were incorporated herein.

#### 10.2 Powers of receiver to borrow

Subject as provided in this Section, any Receiver appointed under these presents may for the purpose of defraying his costs, charges, losses or expenses (including his remuneration) which shall be incurred by him in the exercise of the powers, authorities and discretions vested in him and for all other purposes hereof or any of them, raise and borrow money on the security of the Charged Portfolio or any part thereof either in priority to the Charges or otherwise and on such terms and conditions as he may think fit and no person lending any such money shall be concerned to enquire as to the propriety or purpose of the exercise of this power or to see to the application of any monies so raised or borrowed provided that no Receiver shall exercise this power without first obtaining the written consent of the Security Trustee but the Security Trustee shall incur no responsibility or liability to the Chargor or otherwise by reason of its giving or refusing such consent whether absolutely or subject to any limitation or condition.

#### 10.3 Application of monies by Receiver

The net profits of carrying on the said business and/or the net proceeds of any sale by the Receiver shall subject to any prior ranking claims thereon, and notwithstanding section 109 of the Act, be applied by him towards the discharge of the Secured Money in accordance with the priority specified in the Security Trust Deed.

This clause is subject to:

- (i) any claims ranking in priority to the security created under this document; and
- (ii) any mandatory provisions of law.

#### 10.4 Contingent liabilities

If any Secured Money is contingently owing or not yet owing at the time any application of money is made, the Security Trustee or any Receiver:

- (a) may retain an amount equal to all or part of the amount of such Secured Money;
- (b) will place that retained amount in an interest bearing deposit account until such Secured Money becomes actually due and payable or ceases to be contingently owing;
- (c) will pay to the Security Trustee from the amount retained, all amounts which become actually due and payable after that time; and
- (d) will apply the balance of the amount retained, together with interest earned whilst on deposit, in accordance with Clause 10.3.

**PROVIDED THAT** if the Receiver shall be of the opinion that the security may prove deficient payments may be made on account of unpaid principal monies before unpaid interest due under these presents but such alteration in the order of payment of principal monies and

interest shall not prejudice the right of the Lender to receive the full amount to which it would have been entitled if the primary order of payment had been observed or any less amount which the sum ultimately realised may be sufficient to pay.

**10.5 Liability of the Security Trustee and Receiver**

The Security Trustee shall not nor shall any Receiver appointed by the Security Trustee under these presents by reason of the Security Trustee or such Receiver entering into possession of the Charged Portfolio or any part thereof shall be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss upon realisation or for any default or omission for which a mortgagee in possession might be liable.

**10.6 Receiver agent of the Chargor**

Any Receiver appointed hereunder shall be deemed to be the agent of the Chargor for all purposes and be in the same position as the Receiver duly appointed under the Act in connection with his powers and duties hereunder save so far as he shall be specifically authorised to engage the responsibility of the Security Trustee or shall expressly undertake personal liability which he shall not be deemed to do by entering into any contract as or in which he is described as Receiver and the Chargor shall be solely responsible for all acts and defaults of the Receiver as agent for the Chargor and for such remuneration of the Receiver as the Security Trustee shall consider reasonable and be liable under any contracts or engagements made or entered into by him and the Security Trustee shall not in making the appointment or in consenting thereto incur any liability for any such acts or defaults or otherwise.

**10.7 Section 108 of the Act**

The provisions of section 108 of the Act (with the exception of sub-sections 1(a) and (b) thereof and save so far as modified by the provisions hereof) shall apply to these presents and to any Receiver appointed by the Security Trustee hereunder.

**11. Chargor's obligations**

Neither the obligations of the Chargor under this Deed, the Charges nor the Collateral Rights will be affected by any act, omission, circumstance, matter or thing which but for this provision would reduce, release, impair, prejudice or otherwise effect any of the Chargor's obligations under any Transaction Document any of the Charges or the Collateral Rights, including without limitation, and whether or not known to the Chargor or the Security Trustee:

- (a) any time, indulgence or waiver granted to, or composition with, the Chargor or any other person; or
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor of the Chargor or any other person;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect or take up or enforce any rights or remedies against, or any security over assets of, the Chargor or any other person or any non-presentment or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any other security; or
- (d) any legal limitation, disability, incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of or other circumstance relating to, the Chargor or any other person; or
- (e) any amendment, novation, supplement, extension, restatement or variation (however fundamental and whether or not involving any increase in the liability of the Chargor thereunder) or replacement of any Transaction Document or any other

document or security so that references to the Transaction Documents or other documents or security in this Deed shall include each such variation or replacement; or

- (f) any unenforceability, illegality, invalidity or frustration of any obligation of the Chargor or any other person under any Transaction Document or any other document or security, or any failure of the Chargor to become bound by the terms of a Transaction Document whether through any want of power or authority or otherwise; or
- (g) any insolvency or similar proceedings; or
- (h) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of the Chargor under a Transaction Document or any security granted therefor resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order, this Deed be construed as if there were no such circumstance; or
- (i) any other act, event or omission which but for the provision would or might operate, impair, discharge or otherwise effect the obligations of the Chargor under the Transaction Documents.

## **12. Effectiveness of security**

- 12.1 The rights, powers, remedies and privileges provided under this Deed and the Transaction Documents shall be cumulative and not exclusive of any rights, powers and remedies provided by law and may be exercised as often as the Security Trustee or the Receiver thinks appropriate.
- 12.2 The Charges:
  - (a) shall be continuing security and shall extend to all the Secured Money and shall not be considered as satisfied or discharged by any intermediate payment, settlement or discharge of all or any of the Secured Money; and
  - (b) are in addition to and independent of and shall not prejudice, affect or merge with any other Security Interest which a Beneficiary may hold at any time for the Secured Money or any rights, powers and remedies provided by law.
- 12.3 This Deed shall remain in full force and effect as a continuing arrangement unless and until the Security Trustee discharges it.
- 12.4 No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any Collateral Right shall operate as a waiver, nor shall any single or partial exercise of a Collateral Right prevent any further or other exercise of that or any other Collateral Right.
- 12.5 If the Security Trustee is satisfied that all the Secured Money have been discharged in full and the Chargor has no actual or contingent obligation under the Transaction Documents, the Security Trustee shall, at the request and expense of the Chargor, release, reassign or discharge (as appropriate) the Charged Portfolio from the Charges, subject to Clause 12.6 and without recourse to, or any representation or warranty by, the Security Trustee.
- 12.6 If the Security Trustee considers that any amount paid or credited to it is capable of being avoided, reduced or otherwise set aside by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under this Deed and the Charges shall continue and such amount shall not be considered to have been irrevocably paid.
- 12.7 None of the Security Trustee, its nominee(s), or any Receiver shall be liable by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with the

Charged Portfolio or (c) the taking possession or realisation of all or any part of the Charged Portfolio.

**13. Subsequent interests and accounts**

If the Security Trustee at any time receives notice of any subsequent Security Interest affecting all or any part of the Charged Portfolio, all payments made by the Chargor to the Security Trustee after that time shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Money as at the time when the Security Trustee received notice.

**14. Appropriations**

Until all the Secured Money have been unconditionally and irrevocably paid and discharged in full, the Security Trustee may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of the Secured Money unless and until the amounts recovered by the Security Trustee (or any trustee or agent on its behalf) from the Chargor are sufficient to discharge in full all of the Secured Money PROVIDED THAT it holds any such other monies not applied in accordance with Clause 14(a) below or applies and enforces the same in such manner and order as it sees fit (whether against the Secured Money or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in a suspense account any moneys received from the Chargor or on account of the Chargor's liability in respect of the Secured Money. Amounts standing to the credit of any such suspense account shall bear interest at a rate considered by the Security Trustee (acting reasonably) to be a fair market rate.

**15. Currency conversion**

For the purpose of or pending the discharge of any of the Secured Money the Security Trustee may convert any money received, recovered or realised or subject to application by it under this Deed from one currency to another, as the Security Trustee thinks fit and any such conversion shall be effected at National Australia Bank Limited's spot rate of exchange for the time being for obtaining such other currency with the first currency.

**16. Notices**

- (a) Form - all communications

Unless expressly stated otherwise in the Transaction Documents, all notices, certificates, consents, approvals, waivers and other communications in connection with a Transaction Document must be in writing, signed by the sender (if an individual) or an Authorised Officer of the sender and marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

- (b) Form - communications sent by email

- (i) Communications sent by email need not be marked for attention in the way stated in Clause 16(a) (*Form - all communications*). However, the email must state the first and last name of the sender.
- (ii) Communications sent by email are taken to be signed by the named sender.

(c) Delivery

Communications must be:

- (i) left at the address set out or referred to in the Details; or
- (ii) sent by prepaid ordinary post (airmail, if appropriate) to the address set out or referred to in the Details; or
- (iii) sent by fax to the fax number set out or referred to in the Details; or
- (iv) sent by email to the address set out or referred to in the Details; or
- (v) given in any other way permitted by law.

However, if the intended recipient has notified a changed address or fax number, then communications must be to that address or number.

(d) When effective

Communications take effect from the time they are received or taken to be received under Clause 16(e) (*When taken to be received*) (whichever happens first) unless a later time is specified.

(e) When taken to be received

Communications are taken to be received:

- (i) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or
- (ii) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent; or
- (iii) if sent by email:
  - (A) when the sender receives an automated message confirming delivery; or
  - (B) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

(f) Receipt outside business hours

Despite Clauses 16(d) (*When effective*) and 16(e) (*When taken to be received*), if communications are received or taken to be received under this Clause 16(f) after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

**17. Successors**

This Deed shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Trustee; and references to the Security Trustee shall include any assignee or successor in title of the Security Trustee and any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the



Security Trustee under this Deed or to which, under such laws, those rights and obligations have been transferred.

**18. Partial invalidity**

If at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

**19. Waiver**

A waiver by the Security Trustee of any breach of any of the terms, provisions or conditions hereof or the acquiescence by the Security Trustee in any act (whether commission or omission) shall not constitute a general waiver of such term, provision or condition or of any subsequent act contrary thereto.

**20. Enforcement of other rights**

The Chargor waives any right it may have of first requiring the Security Trustee to proceed against or enforce any other rights or security the Security Trustee may have or benefit from before enforcing the Charges.

**21. Counterparts**

This Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

**22. Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or or any Security Interest for those obligations or otherwise) is made by the Security Trustee in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargor and the Charges shall continue or be reinstated as if the discharge, release or arrangement had not occurred.

**23. Governing law and jurisdiction**

**23.1 Governing law**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by Irish law.

**23.2 Jurisdiction**

- (a) The courts of Ireland have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed (a **Dispute**)).
- (b) The parties agree that the courts of Ireland are the most appropriate and convenient court to settle Disputes and accordingly no party will argue to the contrary.
- (c) This Clause 23.2 is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other court with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

**24. Service of process**

- 24.1 The Chargor irrevocably appoints Allied Risk Management Limited, 13-17 Dawson Street Dublin 2 as its Agent under this Deed for service of process in any proceedings before the Courts of Ireland.
- 24.2 If any person appointed as process agent is unable for any reason to act as agent for service of process the Chargor must immediately appoint another agent on terms acceptable to the Security Trustee. Failing this, the Security Trustee may appoint another agent for this purpose.
- 24.3 The Chargor agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.
- 24.4 This clause does not affect any other method of service allowed by law.

**IN WITNESS WHEREOF** this Deed has been signed on behalf of the Security Trustee and executed as a deed by the Chargor and is intended to be and is hereby delivered by it as a deed on the date specified above.

## SCHEDULE 1

Shares held in the Company

Name of Chargor	Name of Company	Shares held (including class and nominal value)
LBC Holdings Europe Limited	CBL Insurance Europe Limited	2,000,001 ordinary shares of EUR 0.45 each

## SCHEDULE 2

### Dividend Mandate

To: The Secretary  
CBL Insurance Europe Limited

Date:

Dear Sirs

We, LBC Holdings Europe Limited (the **Chargor**) refer to:

- A. the 2,000,001 Ordinary Shares of €0.45 each (the **Shares**) in CBL Insurance Europe Limited (the **Company**), of which we are the registered holder or are entitled to be the registered holder pursuant to transfers to us of those shares executed by the registered holders thereof; and
- B. a Security over Shares Deed dated April 2014 between (1) the Chargor and (2) Permanent Custodians Limited (the **Security Trustee**) (the **Security Deed**) in respect of the Shares, a copy of which is attached hereto, to secure the payment of certain monies.

We, the Chargor, hereby request that:

- 1. on receipt by you of written notice from the Security Trustee (or from some other person who confirms in the notice that such person is then the beneficiary under the Security Deed) that the Secured Money (as defined in the Security Deed) or any part thereof have become due and payable, you shall forward to the Security Trustee (or such other person as aforesaid), until further written notice by the Security Trustee (or such other person as aforesaid), all dividends that may become from time to time payable on so many of the Shares as are specified in that notice; and
- 2. you act on such notice and the confirmation and request therein without requiring further evidence of the identity of the Security Trustee, the Secured Money or any part thereof having become due and payable, the number of the Shares in respect of which the Security Trustee is entitled under the Security Deed to receive dividends or any other matter relating to compliance with, or entitlement under, the Security Deed.

This request is irrevocable. Compliance with this request shall be a good discharge to the Chargor.

Yours faithfully

---

duly authorised on behalf of  
**LBC Holdings Europe Limited**

### **SCHEDULE 3**

#### **Letter of Authority**

To: Permanent Custodians Limited

Date:

Re: **Security over Shares Deed dated April 2014 between LBC Holdings Europe Limited (the Chargor) and Permanent Custodians Limited (the Security Trustee) in respect of shares held by the Chargor in LBC Holdings Europe Limited (the Security Deed)**

Dear Sirs

We hereby unconditionally and irrevocably authorise the Security Trustee to date and otherwise complete, stamp and register the share transfer forms in respect of the Shares (as defined in the Security Deed) deposited by us with Security Trustee and/or its designee(s) pursuant to the Security Deed, as and when the Security Trustee becomes entitled to date and complete the same pursuant to the terms of the Security Deed.

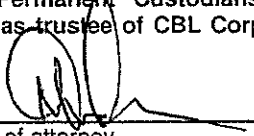
Yours faithfully

\_\_\_\_\_  
Director

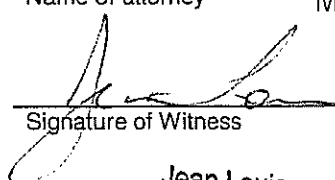
\_\_\_\_\_  
Director

## SECURITY TRUSTEE

Signed and delivered as a deed under the name and seal of **Permanent Custodians Limited** in its capacity as trustee of CBL Corporation Security Trust by:

  
\_\_\_\_\_  
Signature of attorney

\_\_\_\_\_  
Name of attorney **Marjana Cvetanoska**  
**Managing Director**

  
\_\_\_\_\_  
Signature of Witness

**Jean Louis**  
\_\_\_\_\_  
Name of witness

## CHARGOR

Signed and delivered as a deed by  
**LBC Holdings Europe Limited** by:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
City/town of residence

## SECURITY TRUSTEE

Signed and delivered as a deed under the name and seal of **Permanent Custodians Limited** in its capacity as trustee of **CBL Corporation Security Trust** by:

\_\_\_\_\_  
Signature of attorney

\_\_\_\_\_  
Name of attorney

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of witness

## CHARGOR

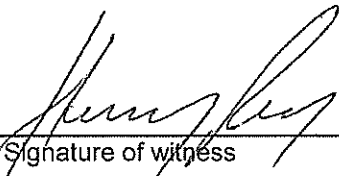
Signed and delivered as a deed by  
**LBC Holdings Europe Limited** by:



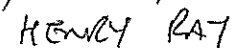
\_\_\_\_\_  
Signature of director



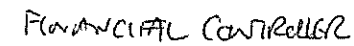
\_\_\_\_\_  
Name of director



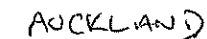
\_\_\_\_\_  
Signature of witness



\_\_\_\_\_  
Name of witness



\_\_\_\_\_  
Occupation



\_\_\_\_\_  
City/town of residence

KING & WOOD  
MALLESONS  

---

SJ BERWIN

## Debenture

Dated 15 April 2014

Intercede 2408 Limited (1)  
Permanent Custodians Limited in its capacity as  
trustee of CBL Corporation Security Trust as  
Security Trustee (2)



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THIS DEED is dated 15 April 2014 and made between:

- (1) **INTERCEDE 2408 LIMITED** incorporated in England and Wales with company number 07550811 and whose registered office is at 12 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1PA (the "Chargor"); and
- (2) **PERMANENT CUSTODIANS LIMITED** in its capacity as trustee of CBL Corporation Security Trust with company number 55001426384 whose registered office is at Level 2, 35 Clarence Street, Sydney, New South Wales 2000, Australia acting in its capacity as security trustee for and on behalf of the Beneficiaries (the "Security Trustee").

**BACKGROUND:**

The Chargor enters into this Deed in connection with the Security Trust Deed (as defined below).

**IT IS AGREED** as follows:

**1 Definitions**

In this Deed:

**"Account Bank"** means each bank, financial institution or other person with whom an Account is maintained.

**"Accounts"** means the account(s) details of which are specified in Schedule 4 (Accounts) and all other accounts at any time owned or operated by the Chargor with any Account Bank as renumbered or redesignated from time to time, each replacement account or sub-account relating to any of them, all money from time to time standing to the credit of those accounts, all interest accruing in relation to them and the debt or debts represented by them, excluding for the avoidance of doubt, any client accounts in the name of the Chargor's clients.

**"Administrator"** means any administrator appointed in respect of the Chargor whether by the Security Trustee, a court or otherwise.

**"Available Balance"** means that part of an amount maintained with CREST which, under the CREST rules, is under the control of the account holder.

**"Beneficiary"** means:

- (a) the Security Trustee;
- (b) the Note Trustee;
- (c) each Agent;
- (d) a Noteholder; or
- (e) any other person which the Security Trustee (acting on the instructions of any Beneficiary) acknowledges is a Beneficiary for the purposes of this definition and who assumes the obligations of, and becomes bound as, a Beneficiary in accordance with this Deed,

but excludes any person who has ceased to be a "Beneficiary" in accordance with this Deed.

**"Chattels"** means all plant, machinery, vehicles, tools, computers, equipment, furniture and other chattels (excluding any for the time being forming part of the Chargor's stock in trade or work in progress) and any renewals or replacements of them together with the benefit of all warranties, guarantees, maintenance contracts, consents and licences relating to them.

**"Collateral"** means the rights, interests and assets from time to time subject, or expressed to be subject, to the Security created or expressed to be created by this Deed or any document entered into pursuant or supplemental to this Deed (including but not limited to any Legal Mortgage).

**"Contracts"** means each of the contracts described in Schedule 6 (Contracts), and any other agreement designated in writing as a Contract by the Security Trustee and the Chargor.

**"CREST"** means the electronic settlement system for United Kingdom and Irish Securities operated by Euroclear UK & Ireland Limited or any successor system for the time being.

**"CREST Manual"** means the document entitled "CREST Reference Manual" relating to the operation of CREST issued by Euroclear UK & Ireland Limited.

**"Delegate"** means any delegate, agent, attorney or co-trustee appointed by the Security Trustee and/or any Receiver (as appropriate).

**"Discharge Date"** means the date on which all the Secured Money has been irrevocably discharged in full.

**"Dividends"** means all dividends and distributions of any kind, interest and any other income received or receivable in relation to any of the Shares.

**"Event of Default"** means the occurrence of any event set out in Condition 12 of the Information Memorandum.

**"Information Memorandum"** has the meaning given to that term in the Security Trust Deed.

**"European Insurance Services"** means European Insurance Services Limited, the Chargor's wholly owned subsidiary incorporated in England and Wales with company number 05681736 and whose registered office is at 12 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1PA.

**"Initial Shares"** means those shares, stocks, debentures, bonds, warrants, coupons or other securities or investments described in Schedule 3 (Initial Shares).

**"Intellectual Property"** means:

- (a) all patents, trade marks, service marks, designs, business and trade names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests whether registered or unregistered; and
- (b) the benefit of all applications, licences and rights to use the assets listed in paragraph (a) above.

**"Investments"** means the Shares and Dividends.

**"Lease"** means any lease, sub-lease, licence, tenancy, agreement for lease or any other agreement or right to occupy governing the use or occupation of any of the Real Property, whether on a fixed term or periodic basis.

**"Legal Mortgage"** means a charge by way of legal mortgage granted by the Chargor in favour of the Security Trustee and in the form of Schedule 2 (Form of Legal Mortgage) in respect of all or any part of the Real Property acquired by the Chargor after the date of this Deed.

**"LPA"** means the Law of Property Act 1925.

**"Material Adverse Effect"** means an event or circumstance which has, or would reasonably be expected to have, a material adverse effect on the ability of the Chargor to meet its obligations under any Transaction Document.

**"Material Intellectual Property"** means Intellectual Property that is material in the context of the business of the Chargor and which is required by it in order to carry on all material aspects of its business being conducted.

**"Monetary Claims"** means all book and other debts and monetary claims of any nature and however arising at any time owing to the Chargor or in which it has an interest and all proceeds of those debts and claims together with the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same.

**"Mortgaged Property"** means any freehold, leasehold or immovable property specified in Schedule 1 (Mortgaged Property) and any freehold, leasehold or immovable property specified in the schedule to any Legal Mortgage.

**"Note Trust Deed"** has the meaning given to that term in the Security Trust Deed.

**"Party"** means a party to this Deed.

**"Planning Legislation"** means any legislation regulating the development or use of land or the erection or demolition of buildings and other structures on such land and all orders, regulations and permissions made, issued or granted under such legislation.

**"Policies"** means each of the insurance policies described in Schedule 8 (Policies) and each other insurance policy taken out at any time by or on behalf of the Chargor or in respect of which it has an interest or a right to claim.

**"Real Property"** means:

- (a) the Mortgaged Property;
- (b) any other freehold, leasehold or immovable property in which the Chargor has an interest; and
- (c) any buildings, erections, fixtures, fittings (including trade fittings and machinery) and fixed plant and machinery from time to time situated on or forming part of the property listed in paragraphs (a) above and (b) above.

**"Receiver"** means an administrative receiver, receiver and manager or a receiver, in each case appointed under this Deed.

**"Regulations"** means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226).

**"Related Rights"** means, as regards any Collateral, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Collateral, including sale proceeds and money paid by way of damages, award or judgment made in connection with that Collateral; and
- (b) all rights and assets of any nature attaching to, deriving from or exercisable as a result of the Chargor's interest in or ownership or operation of the Collateral.

**"Relevant Currency"** means, in relation to each of the Secured Money, the currency in which it is from time to time denominated.

**"Relevant Jurisdiction"** means, in relation to the Chargor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Security to be created by it is situated;

- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Transaction Documents entered into by it.

**"Secured Money"** means all amounts which:

at any time;

for any reason or circumstance in connection with the Transaction Documents (including transactions in connection with them)

whether arising under law or otherwise (including liquidated or unliquidated damages for default or breach of any obligation); and

whether or not of a type within the contemplation of the parties at the date of this deed:

- (a) a Security Provider is or may become actually or contingently liable to pay to a Beneficiary; or
- (b) a Beneficiary has advanced or paid on a Security Provider's behalf or at a Security Provider's express or implied request; or
- (c) a Beneficiary is liable to pay by reason of any act or omission on a Security Provider's part or that the Beneficiary has paid or advanced in protecting or maintaining the Secured Property or a Transaction Document following an act or omission on a Security Provider's part; or
- (d) a Security Provider would have been liable to pay the Beneficiary but the amount remains unpaid by reason of the Security Provider's insolvency.

This definition applies:

- (i) irrespective of the capacity in which the Security Provider or the Beneficiary became entitled to, or liable in respect of, the amount concerned;
- (ii) whether the Security Provider or the Beneficiary is liable as principal debtor, as surety, or otherwise;
- (iii) whether the Security Provider is liable alone, or together with another person;
- (iv) even if the Security Provider owes an amount or obligation to the Beneficiary because it was assigned to the Beneficiary, whether or not:
  - (A) the assignment was before, at the same time as, or after the date of this deed; or
  - (B) the Security Provider consented to or was aware of the assignment; or
  - (C) the assigned obligation was secured before the assignment;
- (v) even if a Transaction Document was assigned to the Beneficiary, whether or not:
  - (A) the Security Provider consented to or was aware of the assignment; or
  - (B) any of the Secured Money was previously unsecured; or
- (vi) if the Security Provider is a trustee, whether or not it has a right of indemnity from the trust fund.

**"Security"** means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Security Provider"** means the Issuer and each other security provider listed in Schedule 1 ("Security Providers") of the Security Trust Deed and each Additional Security Provider (as defined in the Security Trust Deed) unless it has ceased to be a Security Provider in accordance with clause 12.3 of the Security Trust Deed.

**"Security Trust Deed"** means the security trust deed dated on or about the date hereof and made between (amongst others) (1) the Security Trustee (2) the Chargor and (3) CBL Corporation Limited.

**"Settlement System"** means CREST or any other electronic settlement system.

**"Shares"** means:

- (a) the Initial Shares and all shares, stocks, debentures, bonds, warrants, coupons, interests in collective investment schemes and all other securities and investments of any kind whatsoever (whether in certificated or uncertificated form) at any time owned by the Chargor or in which it has an interest;
- (b) shares, stocks, debentures, bonds, warrants, coupons, securities, investments, money or other assets arising by way of conversion, exchange, substitution, rights issue, redemption, bonus, preference, option or otherwise in relation to any of the assets referred to in paragraph (a) above;
- (c) rights to subscribe for, purchase or otherwise acquire any of the assets referred to in paragraph (a) above through options, warrants or otherwise; and
- (d) rights relating to any of the assets referred to in paragraph (a) above which are deposited with or registered in the name of any depository, custodian, nominee, clearing house or investment manager or similar person whether on a fungible basis or otherwise and including all rights against that person and where any of the assets referred to in paragraph (a) above are held in a Settlement System:
  - (i) rights of any kind against that Settlement System, including (without limitation) any rights which the Chargor may have (A) under any agreement with that Settlement System or its operator and/or (B) to require delivery by that Settlement System of any of those assets to, or to the order of, the Chargor; and
  - (ii) rights of any kind against a custodian in respect of any of those assets held in that custodian's account with a Settlement System including (without limitation) any rights which the Chargor may have (A) under any agreement with that custodian relating to the use of that account and/or (B) to require delivery by that custodian of any of those assets to, or to the order of, the Chargor.

**"Tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or delay in paying any of the same).

**"Transaction Document"** has the meaning given to that term in the Security Trust Deed.

## 2 Interpretation

- 2.1 Unless defined in this Deed, a term defined in the Security Trust Deed has the same meaning in this Deed and in any notice given under or in connection with this Deed.
- 2.2 The rules and interpretation contained in clause 1.2 (Interpretation) of the Security Trust Deed shall apply to this Deed as if set out *mutatis mutandis* in this Deed.
- 2.3 Unless a contrary indication appears, a reference in this Deed to:
- (a) a document in "**agreed form**" is a document which is previously agreed in writing by the Chargor and the Security Trustee or, if not so agreed, is in the form specified by the Security Trustee;
  - (b) "**certificated**" has the meaning given to it in the Uncertificated Securities Regulations 2001;
  - (c) "**clearance system**" means a person whose business is or includes the provision of clearance services or security accounts or any nominee or depositary for that person;
  - (d) "**Collateral**" includes:
    - (A) any part of that Collateral;
    - (B) any present and future assets of that type; and
    - (C) all Related Rights relating to that Collateral;
  - (e) "**Secured Money**" is deemed to include a reference to any part of them;
  - (f) the "**Security Trustee**" or "**Chargor**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
  - (g) a provision of law is a reference to that provision as amended or re-enacted; and
  - (h) the singular is deemed to include the plural and vice versa.
- 2.4 An Event of Default is "continuing" if it is continuing in accordance with the terms of the Transaction Document under which it arises.
- 2.5 Any undertaking given by the Chargor under this Deed remains in force until the Discharge Date and is given for the benefit of each Beneficiary.
- 2.6 The terms of the other Transaction Documents are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 2.7 The absence of or incomplete details of any Collateral in any Schedule does not affect the validity or enforceability of any Security under this Debenture.
- 2.8 Clauses 4.2 (Land) to 4.10 (Miscellaneous) shall be construed as creating a separate and distinct mortgage or fixed charge over each relevant asset within any particular class of assets defined under this Deed and the failure to create an effective mortgage or fixed charge (whether arising out of this Deed or any act or omission by any Party) on any one asset shall not affect the nature of any mortgage or fixed charge imposed on any other asset whether within that same class of assets or not.
- 2.9 If the Security Trustee considers that an amount paid to any Beneficiary under any Transaction Document or in relation to any Secured Money is capable of being avoided or otherwise set aside



on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.

- 2.10 The parties to this Deed agree that this Deed shall constitute a Specific Security Agreement and a Transaction Document for the purposes of the Security Trust Deed.

### **3 Undertaking to Pay**

The Chargor covenants to pay, discharge and satisfy all the Secured Money when due in accordance with the terms of the Transaction Documents and to indemnify the Beneficiaries against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Money in accordance with their respective terms.

### **4 Security**

#### **4.1 General**

- (a) All the Security created under this Deed:
- (i) is created in favour of the Security Trustee as trustee for the Beneficiaries;
  - (ii) is security for the payment, discharge and performance all of the Secured Money except for any Secured Money which, if secured by this Deed, would cause such Security to be unlawful or prohibited by any applicable law; and
  - (iii) is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) If the Chargor assigns its rights under an agreement (or charges those rights by way of first fixed charge) under this Deed and that assignment or charge breaches a term of that agreement because a third party's consent has not been obtained:
- (i) the Chargor shall notify the Security Trustee promptly;
  - (ii) until the consent is obtained, this Deed will secure all amounts of any nature which the Chargor may now or in future receive under or in connection with that agreement but exclude rights under the agreement itself;
  - (iii) unless the Security Trustee otherwise requires, the Chargor shall, and each other Chargor shall ensure that the Chargor will, use all reasonable endeavours to obtain the consent of the relevant party to rights under that agreement being secured in accordance with this Deed; and
  - (iv) the Chargor shall promptly supply the Security Trustee with a copy of any consent obtained by it.

#### **4.2 Land**

The Chargor charges:

- (a) by way of a first legal mortgage, all the Mortgaged Property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use Mortgaged Property; and
- (b) (to the extent that they are not the subject of a mortgage under paragraph (a) above) by way of first fixed charge, all the Real Property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use Real Property.

#### **4.3 Investments**

The Chargor charges by way of a first fixed charge all the Shares and Dividends.

#### 4.4 Chattels

The Chargor charges by way of a first fixed charge all the Chattels owned by it and its interest in any Chattels in its possession.

#### 4.5 Accounts

The Chargor charges by way of a first fixed charge all its rights and interest in and to the Accounts.

#### 4.6 Monetary Claims

The Chargor charges by way of a first fixed charge all the Monetary Claims.

#### 4.7 Contracts

(a) The Chargor assigns absolutely, by way of security, subject to reassignment by the Security Trustee in accordance with Clause 28 (Release of Security), all its rights in respect of:

- (i) the Contracts;
- (ii) any letter of credit issued in its favour; and
- (iii) any bill of exchange or other negotiable instrument held by it.

(b) To the extent that they are not effectively assigned under paragraph (a) above, the Chargor charges by way of first fixed charge all its rights described in paragraph (a) above.

#### 4.8 Insurances

(a) The Chargor assigns absolutely, by way of security, subject to reassignment by the Security Trustee in accordance with Clause 28 (Release of Security), all amounts payable to it under or in connection with the Policies and all of its rights in connection with those amounts.

(b) To the extent that they are not effectively assigned under paragraph (a) above, the Chargor charges by way of a first fixed charge the relevant amounts and rights described in paragraph (a) above.

#### 4.9 Intellectual Property

The Chargor charges by way of first fixed charge all its rights in its Intellectual Property.

#### 4.10 Miscellaneous

The Chargor charges by way of first fixed charge:

- (a) any beneficial interest, claim or entitlement it has in any pension fund;
- (b) all rights to recover any value added tax on any supplies made to it relating to any Collateral and any sums so recovered;
- (c) its goodwill and uncalled capital; and
- (d) the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Collateral and the right to recover and receive compensation or any other sum payable in relation to any authorisation.

#### 4.11 Floating charge

- (a) The Chargor charges by way of a first floating charge all of its assets whatsoever and wheresoever not at any time otherwise effectively mortgaged, charged or assigned by way of mortgage, fixed charge or assignment under this Clause 4.
- (b) The floating charge created by paragraph (a) above is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

#### 4.12 Crystallisation

- (a) The Security Trustee may at any time by notice in writing to the Chargor convert any floating charge created by the Chargor pursuant to Clause 4.11 into a fixed charge with immediate effect as regards any property or assets specified in the notice if:
  - (i) the security constituted by this Deed has become enforceable in accordance with Clause 15 (Enforcement of Security); or
  - (ii) the Security Trustee reasonably considers any Collateral to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy; or
  - (iii) the Security Trustee reasonably considers that it is necessary in order to protect the priority of its Security.
- (b) Notwithstanding paragraph (a) above and without prejudice to any rule of law which may have a similar effect, the floating charge created by Clause 4.11 will automatically and immediately (without notice) convert into a fixed charge over all the Chargor's assets if:
  - (i) the Chargor creates or attempts to create any Security over any of the Collateral otherwise than in accordance with the terms of any Transaction Document;
  - (ii) any person levies or attempts to levy any distress, execution or other process against any of the Collateral save where such attempt is discharged within 14 days;
  - (iii) an administrator is appointed in respect of the Chargor or a person entitled to appoint an administrator in respect of the Chargor gives notice of its intention to do so or files a notice of appointment with a court other than a notice which is discharged, stayed or dismissed within 14 days of filing; or
  - (iv) any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, winding up, dissolution or re-organisation of the Chargor other than a winding-up petition which is discharged, stayed or dismissed within 14 days of commencement.
- (c) The floating charge created by Clause 4.11 may not be converted into a fixed charge solely by reason of:
  - (i) the obtaining of a moratorium; or
  - (ii) anything done with a view to obtaining a moratorium,under the Insolvency Act 2000.

### 5 General Representations and Warranties

#### 5.1 General Representations and Warranties

The Chargor represents and warrants to the Security Trustee that:

- (a) Status
- (i) It is a private limited liability company, duly incorporated and validly existing under the law of England and Wales.
  - (ii) It has the power to own its assets and carry on its business as it is being conducted.
- (b) Binding obligations
- (i) the obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations;
  - (ii) (without limiting the generality of paragraph (i) above) this Deed creates the Security which it purports to create and that Security is valid and effective.
- (c) Non-conflict with other obligations
- The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:
- (i) any law or regulation applicable to it;
  - (ii) its constitutional documents; or
  - (iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.
- (d) Power and authority
- (i) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Deed and the transactions contemplated by this Deed.
  - (ii) No limit on its powers will be exceeded as a result of creating any Security or giving any indemnity contemplated by this Deed.
- (e) Validity and admissibility in evidence
- All authorisations required or desirable:
- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed;
  - (ii) to make this Deed admissible in evidence in its Relevant Jurisdictions; and
  - (iii) to enable it to grant the Security constituted, or expressed to be constituted, by this Deed and to ensure that such Security has and will have the priority and ranking which it is expressed to have in this Deed,
- have been obtained or effected and are in full force and effect, save for the making of any appropriate registrations of this Deed with the Registrar of Companies and at the Land Registry.
- (f) Governing law
- (i) The choice of governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.
  - (ii) Any judgment obtained in relation to this Deed in England will be recognised and enforced in its Relevant Jurisdictions.

(g) Ranking

Subject to the requirements specified at the end of (e) above this Deed creates first ranking Security in favour of the Security Trustee as trustee on behalf of the Beneficiaries.

(h) Legal and beneficial ownership

It is the sole legal and beneficial owner of the Collateral over which it purports to grant Security and such Collateral are free from any claims, third party rights or competing interests.

(i) No existing Security

Except for the Security constituted by this Deed, no Security exists in respect of any of the Collateral.

5.2 Repetition

The of the representations and warranties made by the Chargor in this Clause and elsewhere in this Deed are made on the date of this Deed and are deemed to be repeated by the Chargor:

- (a) on each date on which the Chargor acquires Collateral; and
- (b) on each date on which financial accommodation is provided under the Transaction Documents; and
- (c) every three months after the date of this Deed.

**6 General Undertakings**

6.1 Security

The Chargor shall not create or permit to subsist any Security over the Collateral other than pursuant to this Deed or as permitted by any Transaction Document.

6.2 Disposal

The Chargor shall not (nor agree to) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any of the Collateral save as permitted by the Transaction Documents.

6.3 Collateral

The Chargor shall:

- (a) comply with all laws binding on it, or applicable to it, or the Collateral where failure to comply is likely to have Material Adverse Effect;
- (b) protect the Collateral from theft, loss or damage; and
- (c) not take any action (or permit any action to be taken) which results or could result in any of its rights relating to any Collateral being impaired or the value of the Collateral being lowered.

6.4 Conduct of business

The Chargor shall:

- (a) carry on its business in a proper, orderly and efficient manner and shall not cease, or significantly change the general nature of, its business; and

- (b) maintain the Collateral in good working order and condition (ordinary wear and tear excepted) and correct any defect to the extent that failure to do so would be likely to have a Material Adverse Effect.

## 6.5 Authorisations

The Chargor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Security Trustee of,

any authorisation required under any law or regulation of a Relevant Jurisdiction to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence of this Deed.

## 6.6 Security not to be prejudiced

The Chargor shall not do, or permit to be done, anything which could prejudice the Security constituted or expressed to be constituted by this Deed.

## 6.7 Tax

The Chargor shall promptly pay all rates and Tax due and payable by it, except those which it is contesting in good faith and pay all rates and Tax contested in good faith which remain due and payable by it after final determination or settlement of the contest.

## 6.8 Environment

The Chargor shall:

- (a) implement, maintain and comply in all material respects with an environmental management plan. The plan must include procedures designed to ensure that the Chargor and its subsidiaries comply with all environmental law;
- (b) if any non-compliance by the Chargor or any of its subsidiaries with an environmental law occurs which has had or is likely to have a Material Adverse Effect, use its best endeavours to promptly remedy it; and
- (c) if the Security Trustee asks, arrange at its expense an audit of the Chargor and its subsidiaries' environmental management plan and its compliance with environmental law. The Security Trustee may ask the Chargor to do this if it reasonably suspects that the Chargor is not complying with paragraph (a) or with an environmental law, and that the non-compliance has had or is likely to have a Material Adverse Effect.

# 7 Real Property

## 7.1 Acquisitions

- (a) If the Chargor acquires any freehold, leasehold or commonhold property after the date of this Deed it shall:
  - (i) notify the Security Trustee promptly;
  - (ii) promptly on request by the Security Trustee and at the cost of the Chargor, execute and deliver to the Security Trustee a Legal Mortgage in favour of the Security Trustee (as trustee for the Beneficiaries) of that property;
  - (iii) if the title to that freehold, leasehold or commonhold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of the Legal Mortgage; and

- (iv) if applicable, ensure that details of the Legal Mortgage are correctly noted in the Register of Title against that title at the Land Registry.
- (b) If the consent of the landlord in whom the reversion of a lease is vested is required for the Chargor to execute a Legal Mortgage over it, the Chargor will not be required to perform that obligation unless and until it has obtained the landlord's consent. The Chargor shall promptly request the relevant landlord's consent and shall use all reasonable endeavours to obtain that consent within 14 days of making the request.

## 7.2 Notices

The Chargor shall:

- (a) promptly give to the Security Trustee full particulars with respect to (and, if requested by the Security Trustee, a copy of) any notice, order, directive, designation, resolution or proposal which applies to any of its Real Property or to the area in which it is situate and which is issued:
  - (i) by any planning authority or other public body or authority under or by virtue of any Planning Legislation;
  - (ii) pursuant to any law or regulation relating to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants;
  - (iii) pursuant to section 146 of the LPA; or
  - (iv) pursuant to some other power conferred by law;
- (b) without delay and its own cost, make such objections or representations (or join with the Security Trustee in making such objections or representations) against or in respect of any such notice, order, directive, designation, resolution or proposal as the Security Trustee (acting reasonably) may direct; and
- (c) take all steps necessary to comply with each such notice, order, directive, designation, resolution or proposal.

## 7.3 Leases

- (a) The Chargor shall not grant or agree to grant (whether in exercise, or independently, of any statutory power) any Lease of its Real Property or any licence or consent (whether expressly or by conduct) for assignment, parting with or sharing possession or occupation, underletting, change of use or alterations in relation to any Lease to which any part of its Real Property is subject and nor shall it accept (or agree to accept) any surrender, cancellation, assignment, charge or other disposal of, or agree to vary, any such Lease.
- (b) The Chargor shall:
  - (i) pay the rent reserved by and otherwise perform and observe all covenants, stipulations and obligations on the part of the lessee (and diligently enforce performance of the obligations on the part of the lessor) contained in any Lease constituting part of its Real Property;
  - (ii) promptly notify the Security Trustee if any Lease in respect of which it is the lessee has or may become subject to determination or to the exercise by the lessor of any right of re-entry or forfeiture and, if so required by the Security Trustee acting reasonably, diligently pursue applications for relief from any such rights of re-entry or forfeiture;

- (iii) if the Security Trustee so requires, serve notice in respect of any fixed charge (as defined in the Landlord and Tenant (Covenants) Act 1995) in the appropriate form on any former tenant under a lease of Real Property or the guarantor of such a tenant;
- (iv) in respect of any Lease of which it is the lessee refrain from agreeing any change in the rent reserved by any such Lease without the prior written consent of the Security Trustee acting reasonably; and
- (v) in respect of any Lease of which it is the lessor:
  - (A) implement any provision for the review of any rent reserved by any such Lease and not agree to a change in rent without the prior written consent of the Security Trustee acting reasonably;
  - (B) not agree to any amendment, waiver, renewal or surrender of such Lease;
  - (C) exercise any right of re-entry, exercise any option or power to break or determine or commence forfeiture proceedings against any lessee under any such Lease; and
  - (D) otherwise efficiently manage the premises the subject of each such Lease.

#### 7.4 The Land Registry

- (a) The Chargor consents to an application being made to the Land Registry to enter the following restriction on the Register of Title relating to any Real Property registered at the Land Registry:  
  
 "No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [     ] in favour of Permanent Custodians Limited in its capacity as trustee of CBL Corporation Security Trust referred to in the charges register or, if appropriate, signed on such proprietor's behalf by an authorised signatory of Permanent Custodians Limited in its capacity as trustee of CBL Corporation Security Trust."
- (b) The Chargor shall not, without the Security Trustee's prior written consent, allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor of any of the Real Property and will not, as regards any Real Property, create or permit to arise any overriding interest within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003.
- (c) The Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Security created by or pursuant to this Deed.
- (d) The Chargor authorises the Security Trustee and/or any solicitors or other agent acting on behalf of the Security Trustee to complete, execute and deliver on the Chargor's behalf (but at the cost of the Chargor) to the Land Registry any form, document or other information requested by the Land Registry with regard to the applications referred to in this Clause 7.4.



#### 7.5 Deposit of title deeds

The Chargor shall as soon as is reasonably practicable deposit with the Security Trustee all deeds and documents of title relating to its Real Property and all local land charges, land charges and Land Registry search certificates and similar documents received by it or on its behalf.

#### 7.6 Maintenance

The Chargor shall:

- (a) from time to time on request, furnish to the Security Trustee such information in relation to its Real Property and the Leases to which its Real Property shall be subject as the Security Trustee may reasonably require and permit the Security Trustee, its agents, officers and employees free access at all reasonable times (and on reasonable notice) to view the state and condition of its Real Property without becoming liable to account as mortgagee in possession but subject always to the restrictions and conditions on access to any part of the Real Property imposed by any occupational lease;
- (b) keep the Real Property in good repair and condition and decorative order and shall promptly repair any defect or damage affecting its Real Property (ordinary wear and tear excepted and subject in the case of leasehold properties being under no greater obligation to repair the Real Property than owed to the landlord under the relevant lease) and, where necessary, replace such items with others of similar quality and value unless such items are obsolete and no longer needed; and
- (c) not at any time without the prior written consent of the Security Trustee acting reasonably:
  - (i) carry out or permit any demolition, reconstruction or rebuilding of its Real Property or any structural alterations or material change in its use; or
  - (ii) sever, unfix or remove any of the fixtures, fittings, plant or machinery (other than its stock in trade and work in progress) on or in its Real Property (except for the purpose and in the course of making necessary repairs to such Real Property or for replacing the same with new or improved models or substitutes).

#### 7.7 Development

The Chargor shall not, without the prior written consent of the Security Trustee, carry out or permit to be carried out any Development (as defined in the Town and Country Planning Act 1990) or change, or permit any change in, the user of any Real Property.

#### 7.8 Compliance

The Chargor shall comply with:

- (a) all laws for the time being in force; and
- (b) all notices, orders, directives, licences, consents and assurances given or made under any law or regulation by any person, in each case, insofar as the same relate to its Real Property or the occupation and use of its Real Property,

in each case where failure to do so would have a Material Adverse Effect.

#### 7.9 Planning

The Chargor agrees that it shall:

- (a) refrain from doing anything on or in relation to any of its Real Property if the doing of such thing would require a consent under any Planning Legislation; and

- (b) not, without the prior written consent of the Security Trustee, make any application for or implement any planning permission obtained or enter or agree to enter into any agreement under Section 106 of the Town and Country Planning Act 1990, Section 33 of the Local Government (Miscellaneous Provisions) Act 1982 or Section 38 of the Highways Act 1980 or any similar law.

#### 7.10 Investigation of title

The Chargor shall grant the Security Trustee or its solicitors on request all facilities within the power of the Chargor to enable the Security Trustee or its solicitors (at the expense of the Chargor) to:

- (a) carry out investigations of title in relation to its Real Property; and
- (b) make such enquiries in relation to any part of its Real Property as a prudent mortgagee might carry out.

#### 7.11 Compensation payments

Subject to the rights and claims of any person having prior rights to such compensation, all monies payable to the Chargor by way of compensation, whether under Section 25 of the Law of Property Act 1969 or under the Landlord and Tenant Acts 1927 to 1954 or otherwise, shall be paid to the Security Trustee (who shall be entitled to give good receipt for such monies) and applied in accordance with Clause 19 (Order of Application) as though they were the proceeds of the enforcement of the security constituted by this Deed, and any monies that may be received by the Chargor shall, pending such payment, be held on trust for the Security Trustee.

#### 7.12 Power to remedy

If the Chargor fails to comply with any of the undertakings contained in this Clause, the Chargor shall allow the Security Trustee or its agents and contractors:

- (a) to enter any part of its Real Property but subject always to the restrictions and conditions on access to any part of the Real Property imposed by any occupational lease;
- (b) to comply with or object to any notice served on the Chargor in respect of its Real Property; and
- (c) to take any action as the Security Trustee may consider necessary or desirable to prevent or remedy the relevant breach or to comply with or object to any such notice.

The Chargor shall immediately on request by the Security Trustee pay the reasonable costs and expenses of the Security Trustee and its agents and contractors incurred in connection with any action taken under this sub-clause.

### 8 Investments

#### 8.1 Investments - representations and warranties

The Chargor represents and warrants to each Beneficiary that:

- (a) its Initial Shares represent, as at the date of this Deed, the entire issued share capital of European Insurance Services;
- (b) it is the sole legal and beneficial owner of the Shares;
- (c) its Shares are duly authorised, validly issued, fully paid, freely transferable and not subject to any option to purchase or any similar right;

- (d) the constitutional documents of the company(ies) whose Shares are subject to this Deed do not restrict or inhibit any transfer of the Shares on the creation or enforcement of the Security constituted, or expressed to be constituted, by this Deed; and
- (e) there are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any Shares.

## 8.2 Deposit of title documents

The Chargor undertakes to deposit with the Security Trustee or the Security Trustee's nominee:

- (a) on or before execution of this Deed, all share certificates or other documents of title relating to the Initial Shares;
- (b) promptly upon its acquisition of any Investment or upon the withdrawal of any Investment from any Settlement System, all share certificates and other documents of title relating to that Investment; and
- (c) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Investments (including, but not limited to, any which accrue in respect of an Investment held in a Settlement System but which are received in a form that does not enable it to be credited to an account with that Settlement System), all share certificates and other documents of title representing each items,

together with stock transfer forms (or other appropriate transfer instruments) signed by the Chargor (or its nominee, where appropriate) as transferor but with details of the transferee, date and consideration left blank, on the basis that the Security Trustee may hold all those certificates, forms and documents until the Discharge Date. The Security Trustee is entitled at any time after an Event of Default has occurred and is continuing to complete the stock transfer forms (or other transfer instruments) on behalf of the Chargor in favour of the Security Trustee or its nominee, using the power of attorney contained in Clause 22 (Power of attorney).

## 8.3 CREST and other Settlement Systems

- (a) Transfer to escrow balance

The Chargor undertakes, in the case of any Investment held in a Settlement System to:

- (i) in the case of any Initial Share, immediately upon execution of this Deed; and
- (ii) in the case of any other Investment, immediately upon the acquisition of that Investment,

transfer (or procure the transfer by its nominee of) the relevant Investment from its (or its nominee's) account maintained with the relevant Settlement System to:

- (iii) in the case of CREST, the escrow balance of that account by sending a properly authenticated dematerialised "TTE" (transfer to escrow) instruction (as defined in the CREST Manual) to CREST nominating the Security Trustee or the Security Trustee's nominee as the escrow agent (as defined in the CREST Manual) in respect of that escrow balance; and
- (iv) in the case of any other Settlement System, to such account (if any) as is designated by the Security Trustee as being equivalent to the escrow balance maintained by CREST,

and further undertakes that, following that transfer, any further dealings with the relevant Investment may only be made with the Security Trustee's prior written consent.

(b) Optional corporate action and outturn securities

The Chargor undertakes that:

- (i) where 'optional corporate action' (as defined in the CREST Manual) needs to be taken in respect of an Investment credited to the escrow balance of the Chargor's (or its nominee's) account(s) maintained with CREST, it will consult with the Security Trustee, which shall if necessary give a "TFE" (transfer from escrow) instruction (as defined in the CREST Manual) to CREST to transfer that Investment to the Available Balance of the relevant account; and
- (ii) where a "TFE" instruction has been given pursuant to paragraph (b)(i) above, immediately upon receipt of any "outturn securities" (as defined in the CREST Manual) give a "TTE" instruction (as defined in the CREST Manual) to CREST requesting that such outturn securities be transferred to the escrow balance of the relevant account,

and any Investments transferred to the Available Balance under paragraph (b)(i) above or any outturn securities transferred to the escrow balance under paragraph (b)(i) above shall, for so long as they are not credited to the escrow balance of the relevant account of the Chargor (or its nominee) with CREST, be held by or on behalf of the Chargor on trust for the Security Trustee.

(c) Transfer upon an Event of Default

Following an Event of Default which is continuing, the Chargor shall, if the Security Trustee so requests, transfer all Investments held in a Settlement System to an account in the name of the Security Trustee or its nominee in that Settlement System as designated by the Security Trustee.

(d) Record of Security

The Chargor undertakes, in the case of any Investments held in a Settlement System, to give all necessary instructions to or via that Settlement System to ensure that the Security constituted by this Deed is, as fully as possible, recognised and recorded by that Settlement System and undertakes promptly upon request by the Security Trustee to take all necessary action to dematerialise or rematerialise any Investments held in that Settlement System.

8.4 Voting and Dividends

(a) Voting and other rights prior to an Event of Default which is continuing

Prior to the occurrence of an Event of Default which is continuing:

subject to paragraph (ii) below, the Chargor is entitled to exercise or direct the exercise of the voting and other rights attached to any Investment as it sees fit provided that:

- (i) the exercise or failure to exercise those rights does not have an adverse effect on the value of the Investments and does not otherwise prejudice the Security Trustee's interests under this Deed; and
- (ii) the Chargor is entitled to receive all Dividends/ensure that all Dividends are deposited and held in an Account.

(b) Voting and other rights following an Event of Default which is continuing

If an Event of Default has occurred and is continuing:

- (i) the Security Trustee will be entitled to exercise or direct the exercise (or refrain from exercising or refrain from directing the exercise) of the voting and other rights attached to any Investment as it sees fit.
  - (ii) the Chargor shall comply, or procure compliance with, any directions of the Security Trustee in relation to the exercise of those rights and shall promptly execute and deliver to the Security Trustee all forms of proxy as the Security Trustee may require in connection with the exercise of those rights;
  - (iii) all Dividends shall be paid or transferred to the Security Trustee (or to its order) and any Dividends received by the Chargor shall be held by the Chargor on trust for the Security Trustee and immediately paid by it to the Security Trustee or to any nominee designated by the Security Trustee. The Security Trustee will be entitled to apply those Dividends in such manner as it sees fit; and
  - (iv) where any Investments are held in a Settlement System, the Chargor shall give all necessary instructions to or via that Settlement System to ensure that Dividends are paid or transferred to the Security Trustee, or its nominee, and that voting rights are exercisable by the Security Trustee in accordance with paragraphs (i) and (ii) above;
- (c)
- (i) the Security Trustee may, in its absolute discretion, and without any consent or authority from the Beneficiaries or the Chargor, by notice to the Chargor elect to give up the right to exercise (or refrain from exercising) all voting rights in respect of the Shares conferred or to be conferred on the Security Trustee pursuant to paragraph (b)(i) above and the Beneficiaries unconditionally waive any rights they may otherwise have to require the Security Trustee not to make such election or to indemnify, compensate or otherwise make them good as a consequence of such election;
  - (ii) once a notice has been issued by the Security Trustee under paragraph (i) above, on and from the date of such notice, the Security Trustee shall cease to have the rights to exercise or refrain from exercising voting rights in respect of the Shares conferred or to be conferred on it pursuant to paragraph (b)(i) above or any other provision of this Deed and all such rights shall be exercisable by the Chargor. The Chargor shall be entitled on and from the date of such notice to exercise all voting rights in respect of the Shares subject only to the proviso contained in paragraph (a)(i) above.

#### 8.5 Nominee shareholders

If any Investment is not held in the Chargor's name (other than as a result of the operation of this Deed) the Chargor shall procure the prompt delivery to the Security Trustee of an irrevocable power of attorney, expressed to be given by way of security and executed as a deed, by the person in whose name that Investment is held. That power of attorney shall appoint the Security Trustee and every Receiver as the attorney of the holder in relation to that Investment and shall be in a form approved by the Security Trustee.

#### 8.6 Acquisition of Shares

The Chargor shall promptly notify the Security Trustee of:

- (a) its acquisition of, or agreement to acquire, any Shares; and
- (b) the declaration or payment of any Dividend.

8.7      **Circulars**

The Chargor shall promptly deliver to the Security Trustee a copy of every circular, notice, report, set of accounts or other documents received by it or its nominee in connection with the Investments.

8.8      **Calls**

The Chargor shall pay all calls and other payments due in relation to the Investments. If the Chargor fails to do so, the Security Trustee may pay those calls or other payments on the Chargor's behalf and the Chargor shall immediately on demand reimburse the Security Trustee for any such payment.

8.9      **Restrictions**

The Chargor shall not vary or agree to any variation in voting rights attaching to the Shares and shall not cause or permit any of the Shares to be consolidated, sub-divided or converted without the Security Trustee's prior written consent.

**9      Chattels**

**Maintenance**

The Chargor shall:

- (a)      keep all its Chattels in good repair, working order and condition;
- (b)      give the Security Trustee such information concerning the location, condition, use and operation of its Chattels as the Security Trustee may require acting reasonably;
- (c)      permit any persons designated by the Security Trustee to inspect and examine the Chattels and the records relating to the Chattels at all reasonable times and on reasonable notice; and
- (d)      not permit any Chattels to be:
  - (i)      used or handled other than by properly qualified and trained persons; or
  - (ii)     to be overloaded or used for any purpose for which it is not designed or reasonably suitable.

**10     Accounts**

10.1    **Undertakings**

The Chargor shall:

- (a)      except as regards any account maintained with the Security Trustee, deliver to the Security Trustee details of each Account maintained by it promptly upon the opening of a new Account or any redesignation or change in account details affecting any Account;
- (b)      promptly upon request by the Security Trustee, supply the Security Trustee with copies of all mandate letters, bank statements and other agreements relating to the Accounts; and
- (c)      not permit or agree to any variation of the terms and conditions relating to any Account or close any Accounts without the Security Trustee's prior written consent acting reasonably.

## 10.2 Operation of the Accounts

- (a) Prior to the occurrence of an Event of Default which is continuing the Chargor shall, in the case of any Account, be entitled to withdraw or transfer any sum standing to the credit of such Account.
- (b) After the occurrence of an Event of Default which is continuing the Chargor shall not be entitled to make any withdrawals or transfers from any Account without the Security Trustees' prior written consent.

## 10.3 Notice to Account Banks

On the date of this Deed the Chargor shall serve a notice of charge substantially in the form of Part 1 of Schedule 5 (Form of Notice to Account Bank) on each Account Bank with whom an Account is held and use all reasonable endeavours to procure that each Account Bank acknowledges that notice by signing and returning to the Security Trustee a letter of acknowledgement substantially in the form of Part 2 of Schedule 5 (Form of Acknowledgement from Account Bank) within 21 days of the date of such notice. Any instructions contained in a notice of charge sent by the Chargor pursuant to this Clause may not be revoked or amended without the Security Trustee's prior written consent. The execution of this Deed by the Parties constitutes notice on the same terms as those set out in Part 1 of Schedule 5 (Form of Notice to Account Bank) by the Chargor to the Security Trustee of the charge created by this Deed over any Account held by the Chargor with the Security Trustee.

## 10.4 Time deposits

If the balance of any Account constitutes a time deposit then, subject to any contrary instructions from the Security Trustee, that time deposit shall be successively redeposited for such periods and on such terms as may from time to time be agreed between the Security Trustee and the Chargor in writing (failing which agreement, for such periods and on such terms as the Security Trustee may in its discretion decide).

# 11 Monetary Claims

## 11.1 Collecting Monetary Claims

The Chargor shall promptly get in and realise all Monetary Claims and pay the proceeds of such Monetary Claims as the Security Trustee may otherwise direct in writing and pending that payment will hold those proceeds on trust for the Security Trustee.

## 11.2 Dealing with Monetary Claims

The Chargor shall not, without the prior written consent of the Security Trustee, assign, factor, discount, release, waive, compound or otherwise deal with any of the Monetary Claims or vary any term relating to a Monetary Claim other than as permitted by the terms of the Transaction Documents.

## 11.3 Assignment

The Chargor shall, at the Security Trustee's reasonable request, execute a legal assignment of its Monetary Claims in favour of the Security Trustee on such terms as the Security Trustee may agree, acting reasonably, and will sign and deliver written notice of that assignment, in a form acceptable to the Security Trustee, to each debtor which owes or may owe a Monetary Claim and will use all reasonable endeavours to procure that the notice is duly acknowledged by the debtors concerned in accordance with the terms of that assignment.

## 12 Contracts

### 12.1 Contracts - representations and warranties

The Chargor represents and warrants to each Beneficiary that:

- (a) each Contract is in full force and effect and constitutes its legal, valid, binding and enforceable obligations;
- (b) its execution and performance of the Contracts does not conflict with any law or regulation applicable to it, its constitutional documents or any agreement or instrument binding on it or constitute a default or termination event (however described) under any such agreement or instrument;
- (c) it is not in default, nor, so far as it is aware, is any counterparty to a Contract in default, under any Contract;
- (d) all payments due to it from any party under the Contracts can be made without withholding or deduction on account of any tax;
- (e) all payments to it by any other party to any of the Contracts are not subject to any right of set-off or similar right; and
- (f) there is no prohibition on assignment in any of the Contracts.

### 12.2 Notices of assignment

The Chargor shall immediately upon execution of this Deed (or, if later, the date upon a document being designated as a Contract for the purposes of this Deed) serve a notice, substantially in the form of Part 1 of Schedule 7 (Form of Notice to Counterparty), on each counterparty to each Contract and use all reasonable endeavours to procure that each such counterparty acknowledges that notice by signing and returning to the Security Trustee a notice substantially in the form of Part 2 of Schedule 7 (Form of Acknowledgement from Counterparty) within 21 days of the date of this Deed or, if later, the date of the relevant Contract. Any instructions contained in a notice sent to a counterparty pursuant to this Clause may not be revoked or amended without the Security Trustee's prior written consent.

### 12.3 Undertaking

- (a) The Chargor may not, unless permitted by a Transaction Document or otherwise, without the prior written consent of the Security Trustee acting reasonably:
  - (i) amend, supplement or waive or agree to the amendment, supplement or waiver of any term of any Contract in a way that would adversely affect or could be reasonably expected to adversely affect any Security Provider's interests under such Contract or terminate any Contract or allow such Contract to lapse (other than where a Contract expires in accordance with its terms and not by reason of default) and shall not do or permit anything to be done which may impair the enforceability of any term of any such Contract;
  - (ii) take any action which might jeopardise the existence or enforceability of any Contract to which it is a party.
- (b) The Chargor shall:
  - (i) promptly perform all its obligations under each Contract;
  - (ii) diligently enforce its rights under each Contract;



- (iii) inform the Security Trustee promptly if it serves any notice of default, or commences any legal proceeding, or receives any notice of default or of the initiation of any legal proceeding in relation to any Contract;
- (iv) supply the Security Trustee with (a) a copy of each Contract, certified as being true and correct by a director of it and (b) any other information and copies of any other documents relating to the Contracts which the Security Trustee, or any Receiver, requests, acting reasonably.

#### 12.4 Obligations

Notwithstanding the operation of Clause 4.7 (Contracts), the Chargor is and shall remain liable under any Contract to perform all its obligations under that Contract and the Security Trustee shall not be, or be deemed to be, under any obligation or liability under or in connection with such Contract by reason of this Deed or the exercise by the Security Trustee of any rights, powers or remedies under this Deed.

### 13 Insurances

#### 13.1 Insurances - representations and warranties

The Chargor represents and warrants to each Beneficiary that:

- (a) each Policy is in full force and effect and on risk, all premiums payable in relation to the Policies have been paid when due and, so far as it is aware, there are no grounds on which any Policy may be declared void or voidable in whole or in part; and
- (b) its entry into the Policies does not conflict with any law or regulation applicable to it, its constitutional documents or any agreement or instrument binding on it.

#### 13.2 Notices of assignment

The Chargor shall immediately upon execution of this Deed (or, if later, the date on which an insurance policy is designated as a "Policy" for the purposes of this Deed) serve a notice, substantially in the form of Part 1 of Schedule 9 (Form of Notice to Insurer), on each other party to each Policy and use all reasonable endeavours to procure that each such party acknowledges that notice by signing and returning to the Security Trustee a letter of undertaking substantially in the form of Part 2 of Schedule 9 (Form of Acknowledgement from Insurer) within 21 days of the date of this Deed or, if later, the date of entry into of the relevant Policy. Any instructions contained in any notice sent by the Chargor pursuant to this Clause may not be revoked or amended without the Security Trustee's prior written consent.

#### 13.3 Preservation and enforcement of rights

The Chargor shall:

- (a) perform all its obligations, pay all premiums and other monies payable and diligently enforce all its rights under the Policies and take all action necessary to keep the Policies in full force and effect and otherwise preserve its rights under the Policies (including by way of legal or arbitration proceedings);
- (b) inform the Security Trustee immediately if it commences any legal proceeding, or receives notice of the initiation of any legal proceeding, in relation to any Policy or if it becomes aware of any Policy becoming void or voidable in whole or in part;
- (c) supply the Security Trustee with (i) a copy of each Policy and of each certificate of insurance and cover note relating to each Policy, certified as being true and correct copies by a director of the Chargor; and (ii) any other information and copies of any other

documents relating to the Policies which the Security Trustee, or any Receiver, reasonably requests; and

- (d) if required by the Security Trustee following the occurrence of an Event of Default which is continuing use its best efforts to cause each insurance policy or policies relating to the Collateral other than any Policy which has been the subject of a notice of assignment pursuant to Clause 13.2 (Notices of assignment) to contain (in form and substance reasonably satisfactory to the Security Trustee) an endorsement naming the Security Trustee as sole loss payee in respect of all claims.

#### 13.4 Amendments and waivers

The Chargor shall not, without the Security Trustee's prior written consent, amend, supplement or waive or agree to the amendment, supplement or waiver of any term of any Policy or terminate any Policy or allow any Policy to lapse (other than where a Policy expires in accordance with its terms and not by reason of default) in a way that would adversely affect or could be reasonably expected to adversely affect any Security Provider's interests under such Policy.

#### 13.5 Insurance proceeds held on trust

All monies received under any Policies relating to the Collateral shall (subject to the rights and claims of any person having prior rights to such monies), prior to the occurrence of an Event of Default which is continuing, be applied in a manner as permitted by the Transaction Documents and, after the occurrence of an Event of Default (which is continuing), be held by the Chargor upon trust for the Security Trustee pending payment to the Security Trustee for application in accordance with Clause 19 (Order of Application) and the Chargor waives any right it may have to require that any such monies are applied in reinstatement of any part of the Collateral.

### 14 Intellectual Property

#### 14.1 Intellectual Property - representations and warranties

The Chargor represents and warrants to each Beneficiary that it:

- (a) is the sole legal and beneficial owner of or has licensed to it all of the Intellectual Property which is required by it in order to carry on its business as it is being conducted and has taken all formal and procedural actions (including but not limited to payment of fees) required to maintain such Intellectual Property; and
- (b) does not, in carrying on its business, infringe any Intellectual Property of any third party in any material respect.

#### 14.2 Intellectual Property – positive undertakings

The Chargor shall:

- (a) do all such acts and things as are necessary or desirable to preserve and maintain the existence and validity of its Material Intellectual Property;
- (b) use all reasonable endeavours to prevent any theft, loss, destructions, infringement, unauthorised access, copying and use of its Material Intellectual Property and promptly after becoming aware of any such action, inform the Security Trustee of such action and (at its own cost and without prejudice to any other steps it may consider appropriate in the circumstances) take such steps as the Security Trustee may from time to time direct acting reasonably;
- (c) make registrations and pay all registration fees and taxes necessary to maintain its Material Intellectual Property in full force and effect and record its interest in that

Intellectual Property and produce to the Security Trustee on demand receipts or other evidence that the same have been paid;

- (d) not use or permit its Material Intellectual Property to be used in a way or take any step or omit to take any step in respect of its Intellectual Property which may materially and adversely affect the existence or value of the Material Intellectual Property or impair its right to use such property; and
- (e) not discontinue the use of the Material Intellectual Property.

#### 14.3 Intellectual Property – negative undertakings

The Chargor shall not, without the consent of the Security Trustee:

- (a) abandon, cancel or allow any of its Intellectual Property to become void, lapse or to become vulnerable to attack, whether for non-use or otherwise;
- (b) apply to amend the specification or drawing of any of the letters patent or registered trade or service marks forming part of its Intellectual Property or enter any conditions, restrictions or disclaimers in relation to any of its registered Intellectual Property; or
- (c) use or knowingly permit to be used any of its Intellectual Property in a way (or otherwise do or refrain from doing anything) which may have a material adverse effect on the value of its Intellectual Property.

#### 14.4 Preservation/protection

The Chargor must promptly, if requested to do so by the Security Trustee acting reasonably, sign or procure the signature of, and comply with all instructions of the Security Trustee in respect of, any document required to make entries in any public register of Intellectual Property (including the United Kingdom Trade Marks Register) which either record the existence of this Deed or the restrictions imposed by this Deed.

### 15 Enforcement of Security

#### 15.1 Timing

The Security created by this Deed will be immediately enforceable at any time after the occurrence of:

- (a) an Event of Default which is continuing; or
- (b) a request being made by the Chargor to the Security Trustee that it exercise any of its powers under this Deed.

#### 15.2 Enforcement

After this Security has become enforceable, the Security Trustee may, subject to the consent of the Financial Conduct Authority or other appropriate regulatory body, where applicable, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- (a) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Collateral;
- (b) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorisations and discretions conferred by the LPA (as varied and extended by this Deed) on mortgagees, by this Deed on any Receiver, or conferred by the Insolvency Act 1986 or any other law on mortgagees and Receivers;
- (c) exercise all its rights, powers and remedies as assignee of the Accounts and, in particular, the right to:

- (i) demand and receive any interest or other monies payable in respect of any credit balance on any Account; and
- (ii) withdraw sums standing to the credit of any Account (or, by notice to the bank with whom such Account is maintained, block the withdrawal of any such sums) and otherwise exercise all rights in relation to each of the Chargor's Accounts as the Chargor may exercise (or, but for this Deed) might exercise; and
- (d) apply, transfer or set-off any or all of the balances from time to time standing to the credit of the Accounts in or towards the payment or other satisfaction of all or part of the Secured Money then due but unpaid in accordance with Clause 19 (Order of Application).

#### 15.3 Effect of a moratorium

The Security Trustee shall not be entitled to exercise its rights under Clause 15.2 to the extent that such exercise would be contrary to the provisions of paragraph 13 of Schedule A1 of the Insolvency Act 1986.

#### 15.4 Statutory powers

- (a) The statutory power of sale or other right of disposal conferred on the Security Trustee and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under section 101 of the LPA and such power shall arise (and the Secured Money shall be deemed due and payable for that purpose) on execution of this Deed and will be exercisable at any time after this Deed becomes enforceable.
- (b)
  - (i) The statutory powers of leasing may be exercised by the Security Trustee at any time on or after this Deed has become enforceable and such powers are extended by this Deed so as to authorise the Security Trustee to lease, make agreements for lease, accept surrenders of leases and grant options on such terms as the Security Trustee may think fit and without the need to comply with any restrictions imposed by law (including, but not limited to, under section 99 or section 100 of the LPA).
  - (ii) For the purposes of sections 99 and 100 of the LPA, the expression "Mortgagor" will include any incumbrancer deriving title under the Chargor and neither sub-section (18) of section 99 nor sub-section (12) of section 100 of the LPA will apply.
  - (iii) The Chargor shall have, at any time up until the Discharge Date, the power pursuant to section 99 of the LPA to make any Lease in respect of any Real Property without the prior written consent of the Security Trustee unless permitted pursuant to the terms of any Transaction Document.
- (c) The restrictions contained in section 93 and section 103 of the LPA shall not apply to this Deed, to the exercise by the Security Trustee of its right to consolidate all or any of the Security created by or pursuant to this Deed with any other Security in existence at any time or its power of sale and such powers of consolidation or sale are exercisable by the Security Trustee, without notice to the Chargor, on or at any time after this Deed has become enforceable as herein provided.

### 16 Receiver

#### 16.1 Appointment of Receiver

- (a) After this Deed has become enforceable the Security Trustee may without prior notice, appoint:

- (i) any one or more persons to be a Receiver of all or any part of the Collateral; or
  - (ii) two or more Receivers of separate parts of the Collateral; or
  - (iii) appoint another person(s) as an additional Receiver(s).
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
  - (c) Any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA) does not apply to this Deed.
  - (d) The Security Trustee may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Collateral if the Security Trustee is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

#### 16.2 Statutory powers of appointment

The powers of appointment of a Receiver pursuant to Clause 16.1 shall be in addition to all statutory and other powers of appointment of the Security Trustee under the LPA (as extended by this Deed) or otherwise and such powers shall remain exercisable from time to time by the Security Trustee in respect of any part of the Collateral.

#### 16.3 Removal

The Security Trustee may from time to time by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver who has been removed for any reason.

#### 16.4 Remuneration

The Security Trustee may from time to time fix the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) of the LPA) will not apply.

#### 16.5 Agent of the Chargor

- (a) A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA. The Chargor is solely responsible for the remuneration, expenses, contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver other than defaults arising as a consequence of the gross negligence or wilful default of such Receiver.
- (b) Neither the Security Trustee nor any Beneficiary will incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.
- (c) No Receiver shall at any time act as agent for the Security Trustee.

### 17 Powers of Receiver

#### 17.1 Statutory powers

- (a) A Receiver (subject to any restrictions in the instrument appointing him but notwithstanding any winding up or dissolution of the Chargor) has (to the extent permitted by law) all of the rights, powers and discretions conferred on:

- (i) an administrative receiver under Schedule 1 of the Insolvency Act 1986, as if such Schedule and all relevant definitions set out in the Insolvency Act 1986 were set out in this Deed; and
  - (ii) otherwise, all the rights, powers and discretions conferred on a mortgagor, a mortgagee in possession and on a Receiver (or a receiver and manager) appointed under the LPA.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually (and to the exclusion of any other Receiver) or together with any other person appointed or substituted as a Receiver.

## 17.2 Additional powers

In addition to those powers, rights and discretions set out in Clause 17.1(a)(i) and (ii) above, a Receiver shall have the following rights, powers and discretions:

- (a) Employees
  - (i) A Receiver may appoint and discharge managers, directors and secretaries for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
  - (ii) A Receiver may discharge any person appointed by the Chargor.
- (b) Sale of assets
  - (i) The consideration for the sale of any Collateral may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which the Receiver thinks fit.
  - (ii) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.
- (c) Mediation
 

A Receiver may refer to mediation any question in relation to any Collateral that he thinks fit.
- (d) Delegation
 

A Receiver may delegate his power in accordance with this Deed.
- (e) Lending
 

A Receiver may lend money or advance credit to any customer of the Chargor.
- (f) Protection of assets
 

A Receiver may:

  - (i) effect any repair or improvement of any Collateral; and
  - (ii) apply for and maintain any planning permission, building regulation, approval or any other authorisation,

in each case as he thinks fit.
- (g) Other powers
 

A Receiver may:

- (i) do all other acts and things which he may consider desirable or necessary for realising any Collateral or incidental or conducive to any of the rights, powers, remedies or discretions conferred on the Security Trustee or any Receiver under or by virtue of this Deed or by law;
- (ii) exercise in relation to any Collateral all the powers, authorities and things which he would be capable of exercising if he were the absolute owner of that Collateral; and
- (iii) use the name of the Chargor for any of the purposes set out in this Clause 17.

## **18 Appointment of Administrator**

- (a) Subject to the Insolvency Act 1986, at any time after the Security created by this Deed has become enforceable in accordance with Clause 15.2 (Enforcement), the Security Trustee may appoint one or more qualified persons to be an Administrator of the Chargor, to act individually (and to the exclusion of any other Administrator) or together with any other Administrators so appointed or substituted.
- (b) For the purposes of this sub-clause, a "qualified person" is a person qualified to act as an Administrator under the Insolvency Act 1986.

## **19 Order of Application**

Application of proceeds

Unless otherwise determined by the Security Trustee or a Receiver, all amounts received or recovered by the Security Trustee or any Receiver in exercise of their rights under this Deed will, subject to the rights of any creditors having priority, be applied in accordance with the Security Trust Deed.

## **20 Protection of Purchasers**

- (a) No purchaser or other person dealing with the Security Trustee or a Receiver shall be bound to enquire:
  - (i) whether the Secured Money have become payable;
  - (ii) whether any power which the Security Trustee or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
  - (iii) whether any money remains due under the Transaction Documents; or
  - (iv) how any money paid to the Security Trustee or to that Receiver is to be applied.
- (b) The receipt of the Security Trustee or any Receiver shall be conclusive discharge to any purchaser and, in making any sale or disposal of any of the Collateral or making any acquisition, the Security Trustee or any Receiver may do for such consideration, in such manner and on such terms as it thinks fit.

## **21 Liability of the Security Trustee**

**21.1** The Security Trustee enters into this Deed as trustee of the Security Trust and each party to this Deed agrees that:

- (a) the obligations of the Security Trustee under this Deed are subject to the terms of the Security Trust Deed; and
- (b) without limiting paragraph (a), clause 2.1 (Limitation of liability), clause 2.2 (Exoneration), clause 2.4 (No action against the Security Trustee personally), clause 2.5 (Exception) and clause 2.6 (Other parties), clause 2.7 (Extent of exceptions) and clause 2.8

(Liabilities must be limited and must be indemnified) of the Security Trust Deed apply to this Deed as if set out *mutatis mutandis* in this Deed with any necessary amendments to clause references.

- 21.2 For the avoidance of doubt, section 1 of the Trustee Act 2000 shall not apply to any function of the Security Trustee in relation to the trust constituted under this Deed, provided that if the Security Trustee fails to show the degree of care and diligence required of it as trustee (having regard to the provisions hereof), nothing in this Deed shall relieve or indemnify it from or against any liability which would otherwise attach to it in respect of any gross negligence, wilful default, or fraud of which it may be guilty in relation to its duties hereunder.

## **22 Power of attorney**

- (a) The Chargor, by way of security for the performance of its obligations under this Deed, irrevocably and severally appoints the Security Trustee, each Receiver and each of their respective Delegates and sub delegates to be its attorney (with full power of substitution and delegation) and in its name, on its behalf and as its act and deed to:
- (i) execute, deliver and perfect a Legal Mortgage over any Real Property not already the subject of a registrable Legal Mortgage;
  - (ii) execute, deliver and perfect all other documents, deeds and agreements and do all such things which the attorney may consider to be required or desirable for:
    - (A) following an Event of Default which is continuing and the failure by the Chargor to comply with the relevant obligation, carrying out any obligation imposed on the Chargor by this Deed or any agreement binding on the Chargor to which the Security Trustee is a party (including, but not limited to, the execution and delivery of any charges, assignments or other security and any transfers of the Collateral and perfecting and/or releasing the Security created or intended to be created in respect of the Collateral); and
    - (B) following an Event of Default which is continuing, enabling the Security Trustee and any Receiver to exercise any of the rights, powers and authorities conferred on them pursuant to this Deed or by law (including, after the Security constituted by this Deed has become enforceable as provided in this Deed, the exercise of any right of a legal or beneficial owner of the Collateral or any part of the Collateral).
- (b) The Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.
- (c) The Chargor covenants (for the purpose of the irrevocable nature of the power of attorney granted in this Clause) with each Receiver appointed under this Deed, to join in and concur with the exercise by such Receiver of any powers of such Receiver to act on behalf of the Chargor.

## **23 Delegation and Discretion**

### **23.1 Delegation**

- (a) Save as expressly stated in the Transaction Documents, the Security Trustee and/or any Receiver may delegate by power of attorney or in any other manner all or any of the



powers, authorities and discretions which are conferred and are exercisable by it under this Deed to any person or persons on such terms and conditions as it sees fit.

- (b) No such delegation pursuant to this Clause shall preclude either the subsequent exercise of such power, authority or discretion by the Security Trustee or a Receiver itself or any subsequent delegation or revocation of such power, authority or discretion.
- (c) Neither the Security Trustee nor any Receiver will have any liability to the Chargor or any other person for any loss or liability arising from any act, default, omission or misconduct by the Delegate.

#### 23.2 Discretion

Any right or power which may be exercised or any determination which may be made under this Deed by the Security Trustee or any Receiver may be exercised by it in its absolute and unfettered discretion, without any obligation to give reasons.

### 24 Effectiveness of Security

#### 24.1 Continuing Security

Subject to Clause 28 (Release of Security), the Security constituted by this Deed shall remain in full force and effect as continuing security for the Secured Money until the Discharge Date and shall not be released before then by any intermediate payment, discharge or satisfaction of all or any of the Secured Money or for any other reason.

#### 24.2 Cumulative rights

The Security created by or pursuant to this Deed and the rights, powers and remedies of the Security Trustee under this Deed shall be cumulative and shall be in addition to and independent of every other Security, right, power or remedy which the Security Trustee or any Beneficiary may at any time have in connection with the Secured Money, including all rights, powers and remedies provided by law, and accordingly, the Security Trustee shall not be obliged before exercising any such rights, powers or remedies:

- (a) to make any demand of, or take any action or obtain any judgment in any court against, the Chargor;
- (b) to make or file any claim or proof in winding-up or dissolution of the Chargor; or
- (c) to enforce or seek to enforce any other Security held by it in respect of the Secured Money.

#### 24.3 No merger of Security

No prior Security held by the Security Trustee (whether in its capacity as trustee or otherwise) or any other Beneficiary over the whole or any other part of the Collateral shall merge into the Security constituted by this Deed.

#### 24.4 No prejudice

The Security created by or pursuant to this Deed shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person, or the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Beneficiaries or by any variation of the terms of the trust upon which the Security Trustee holds the Security created by or pursuant to this Deed or by any other thing which might otherwise prejudice that Security.

#### 24.5 Remedies and waivers

- (a) No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any rights or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise of any right or remedy.
- (b) No election to affirm this Deed on the part of the Security Trustee shall be effective unless in writing.

#### 24.6 Partial invalidity

- (a) If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.
- (b) If any part of the Security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security constituted under this Deed.

#### 24.7 Waiver of defences

Neither the obligations of the Chargor under this Deed nor the Security constituted by this Deed will be affected by any act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Deed or release or prejudice any of that security (without limitation and whether or not known to the Chargor or any Beneficiary) including:

- (a) any time, waiver or consent granted or agreed to be granted to, or composition with, the Chargor or any other person;
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor or the Chargor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or Security over assets of, the Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- (e) any amendment, novation, supplement, extension (whether at maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not onerous) or replacement of a Transaction Document or any other document or Security or of the Secured Money (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Transaction Document or other documents);
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Document or any other document or security or of the Secured Money; or
- (g) any insolvency or similar proceedings relating to the Chargor or any other person.

24.8 Immediate recourse

The Chargor waives any right it may have of first requiring the Security Trustee or any other Beneficiary (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 the Chargor under this Deed. This waiver applies irrespective of any law or provision of this Deed to the contrary.

24.9 Appropriations

Until the occurrence of the Discharge Date, any Beneficiary (or any trustee or agent on its behalf) may refrain from applying or enforcing any other monies, Security or rights held or received by it in relation to the Secured Money, or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Money, or otherwise) and hold in an interest bearing suspense account any money received from the Chargor on account of the Secured Money.

24.10 Non-competition

Until the occurrence of the Discharge Date or unless the prior written consent of the Security Trustee is obtained, the Chargor shall exercise any rights which it may have by reason of performance by it of its obligations under this Deed:

- (a) to be indemnified by any person, including the Chargor;
- (b) to claim any contribution from any other provider of Security or any guarantor of the Secured Money;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any of the Beneficiary's rights under the Transaction Documents or of any other guarantee, indemnity or Security taken pursuant to, or in connection with, the Secured Money by any Beneficiary;
- (d) to bring legal or other proceedings for an order requiring the Chargor to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, undertaking or indemnity under any Transaction Document; and/or
- (e) to exercise any right of set-off against the Chargor.

If the Chargor receives any benefit, payment or distribution contrary to the terms of this Clause, it shall hold that benefit, payment or distribution (to the extent necessary to enable all amounts which may be or become payable to the Security Trustee in connection with the Secured Money to be repaid in full) on trust for the Security Trustee and shall promptly pay or transfer the same to the Security Trustee or to the Security Trustee's nominee.

24.11 Tacking

- (a) For the purposes of section 94(1)(c) of the LPA and section 49(3) of the Land Registration Act 2002, the Security Trustee confirms on behalf of the Beneficiaries that the Beneficiaries will comply with their obligations to make any further advances under the Transaction Documents (subject to the terms of these documents).
- (b) The Chargor consents to an application being made to the Land Registry to enter the obligation to make further advances on the charges register of any registered land forming part of the Property.

24.12 Further assurance

- (a) The Chargor shall promptly, at its own cost, enter into, execute and complete a Legal Mortgage over any Real Property in England and Wales not already the subject of a registrable Legal Mortgage.

- (b) The Chargor shall promptly, at its own cost, do whatever the Security Trustee requires:
  - (i) to create, perfect and/or protect the Security created or intended be created by this Deed;
  - (ii) to create, perfect and/or protect the priority of the Security created or intended be created by this Deed;
  - (iii) to facilitate the exercise of any rights, powers and remedies vested in the Security Trustee or any Receiver (or their respective Delegates) by this Deed and/or by the law; and/or
  - (iv) to facilitate the realisation of the Collateral.
- (c) In order to satisfy its obligations under sub-clauses (a) and (b) above, the Chargor shall immediately, upon the request of the Security Trustee, execute any transfer, conveyance, mortgage, charge, assignment or assurance over all or any of the assets constituting, or intended to constitute, the Collateral (whether in favour of the Security Trustee or its nominee or otherwise) and make any registration or notarisation and give any notice, instructions, order or direction in respect of the Collateral.

## **25 Prior Security Interests**

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Collateral or in case of exercise by the Security Trustee or any Receiver of any power of sale under this Deed, the Security Trustee may redeem such prior Security or procure the transfer of such Security to itself.
- (b) The Security Trustee may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Chargor.
- (c) All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Security Trustee on demand together with accrued interest on such sums as well as before judgement at the rate from time to time applicable to unpaid sums specified in any Transaction Document from the time or respective times of the same having been paid or incurred until payment of such sums (as well as after as before judgment).

## **26 Subsequent Security Interests**

If the Security Trustee acting in its capacity as trustee or otherwise or any of the other Beneficiaries at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting the Collateral or any part of the Collateral which is prohibited by the terms of any Transaction Document, all payments made by or on behalf of the Chargor to the Security Trustee or any of the other Beneficiaries after such receipt of notice will (in the absence of any express contrary appropriation by the Chargor) be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Money at the time that notice was received.

## **27 Suspense Account**

All monies received, recovered or realised by the Security Trustee under this Deed (including the proceeds of any conversion of currency) may in the discretion of the Security Trustee be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society or financial institution (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Security Trustee's discretion, in or towards the discharge of any of the Secured Money.

**28 Release of Security**

Upon the occurrence of the Discharge Date, the Security Trustee shall, at the request and cost of the Chargor, release and cancel the security constituted by this Deed and procure the reassignment to the Chargor of the property and assets assigned to the Security Trustee pursuant to this Deed, in each case without recourse to, or any representation or warranty by, Security Trustee or any of its Delegates.

**29 Set-Off**

The Security Trustee may set-off any matured obligation due from the Chargor under this Deed (to the extent beneficially owned by the Security Trustee) against any matured obligation owed by the Security Trustee to the Chargor, 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.

**30 Financial collateral**

- (a) To the extent that any of the Collateral constitute "financial collateral" and this Deed constitutes a "security financial collateral arrangement" (as those terms are defined in the Regulations), the Security Trustee shall, upon the Security created by this Deed becoming enforceable and to the extent permitted by the Regulations, have the right to appropriate all or any part of those Collateral in or towards the discharge of the Secured Money without obtaining any court authorisation and in such order as the Security Trustee may in its absolute discretion determine.
- (b) The Parties agree that the value of any Collateral appropriated in accordance with sub-clause (a) above shall be:
  - (i) in the case of cash denominated in the currency of denomination of the Secured Money, the amount of such cash plus any accrued but unposted interest attributable to such cash on the date of appropriation;
  - (ii) in the case of any other cash, the amount of the currency of denomination of the Secured Money that the Security Trustee could purchase with the amount of such cash (plus any accrued but unposted interest attributable to such cash) on the date of appropriation at its spot rate of exchange for such purchase in the London foreign market at or about 11:00 a.m. on that date; or
  - (iii) in the case of Shares, shall be the price of those Shares at the time the right of appropriation is exercised as listed on any recognised market index, independent valuation or as determined by such other method as the Security Trustee may select.
- (c) The Parties agree that the method of valuation provided for in this Clause 30 is commercially reasonable for the purposes of the Regulations.

**31 Currency**

**31.1 Relevant Currency**

The Chargor is obliged under this Deed to discharge the Secured Money in the Relevant Currency.

**31.2 Receipt in wrong currency**

If at any time the Security Trustee receives a payment (including by set-off) referable to any of the Secured Money from any source in a currency other than the Relevant Currency, then:

- (a) that payment will take effect as a payment to the Security Trustee of the amount in the Relevant Currency which the Security Trustee is able to purchase (after deduction of any relevant costs) with the amount of the payment so received at its spot rate of exchange for such purchase in the London foreign exchange market at or about 11:00 a.m. on that date; and
- (b) if such payment is treated pursuant to paragraph (a) above as a payment of an amount which falls short of the relevant liability of the Chargor expressed in the Relevant Currency, the Chargor as a separate and independent obligation will on demand from time to time indemnify the Security Trustee against such shortfall.

## **32 Payments to be made without Deduction**

### **32.1 No deductions**

All sums payable by the Chargor under this Deed shall be paid in the Relevant Currency in immediately available funds and shall be paid to the credit of such account as the Security Trustee may designate. All such payments shall be made in full without set-off of any sum owing by the Security Trustee to the Chargor or counterclaim and free and clear of any deductions of or withholding for or on account of any tax or for any other reason, except to the extent that any such deduction or withholding is required by law.

### **32.2 Grossing-up**

If at any time the Chargor is required by law to make any deduction or withholding from any payment due from the Chargor to the Security Trustee, the Chargor shall simultaneously pay to the Security Trustee whatever additional amount is necessary to ensure that the Security Trustee receives a net sum equal to the payment it would have received had no deduction or withholding been made.

## **33 Certificates and determinations**

A certificate or determination by the Security Trustee or a Receiver of a rate or an amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

## **34 Assignment and Transfer**

### **34.1 Chargor's consent to assignment/transfer by Security Trustee**

The Chargor consents to the assignment and/or transfer by the Security Trustee of any one or more of its rights and/or obligations under this Deed.

### **34.2 No assignment/transfer by Chargor**

The Chargor may not assign or transfer any one or more of its rights and/or obligations under this Deed.

### **34.3 Confidentiality**

The Security Trustee shall be entitled to disclose such information concerning the Chargor and this Deed as it considers appropriate to:

- (a) any person proposing to take an assignment and/or transfer from the Security Trustee;
- (b) any person proposing to enter into contractual relations with the Security Trustee with respect to this Deed; and
- (c) any person to whom information may be required to be disclosed by an applicable law.

### **35 Indemnity to the Security Trustee**

- 35.1 The Chargor shall promptly indemnify the Security Trustee and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:
- (a) the taking, holding, protection or enforcement of the Security constituted under this Deed;
  - (b) the exercise of any of the rights, powers, discretions and remedies vested in the Security Trustee, each Receiver and their Delegate and sub-delegates by this Deed or by law; or
  - (c) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed.
- 35.2 The Security Trustee may, in priority to any payment to the Beneficiaries, indemnify itself out of the Collateral in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 35 and shall have a lien on the Security constituted under this Deed and the proceeds of the enforcement of such Security for all monies payable to it.
- 35.3 For the avoidance of doubt, any indemnity, reimbursement or similar obligation in this Deed given by the Chargor:
- (a) is a continuing obligation despite any intervening payment, settlement or other thing;
  - (b) is independent of the Chargor's other obligations under this Deed; and
  - (c) survives the termination or discharge of this Deed and the discharge of financial accommodation.

### **36 Costs and expenses**

#### **Enforcement and preservation costs**

The Chargor shall, within three Business Days of demand, pay to the Security Trustee the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under this Deed and any proceedings instituted by or against the Security Trustee as a consequence of taking or holding the Security constituted by this Deed or enforcing these rights.

### **37 Miscellaneous**

#### **37.1 Variations**

No variation of the terms of this Deed shall be valid unless such variation is in writing and signed by the Chargor and the Security Trustee.

#### **37.2 Third party rights**

A person who is not a Party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

#### **37.3 Perpetuity period**

The trusts created by this Deed have a perpetuity period of 125 years.

#### **37.4 Counterparts**

This Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

**38 Notices**

Any notice to be provided or communication to be made under or in connection with this Deed shall be made in accordance with clause 13 (Notices and other communications) of the Security Trust Deed.

**39 Governing Law and Jurisdiction**

**39.1 Governing law**

This Deed and any non-contractual obligation arising out of or in connection with it are governed by and shall be construed in accordance with English law.

**39.2 Jurisdiction of English courts**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 39.2 is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

**39.3 Enforcement of judgment**

A judgment in any proceedings against any party to this Deed in any court referred to in this Clause 39 will be conclusive and binding upon the Chargor and may be enforced in the courts of any other jurisdiction.

**This Deed is executed as a deed by the Chargor and is signed for and on behalf of the Security Trustee and is delivered and takes effect on the date at the beginning of this Deed.**



SCHEDULE 1

**Mortgaged Property**

No Mortgaged Property at the date of this Deed

## SCHEDULE 2

### Form of Legal Mortgage

THIS DEED is dated [ ] between:

- (1) Intercede 2408 Limited registered in England and Wales with company number 07550811 (the "**Chargor**"); and
- (2) Permanent Custodians Limited in its capacity as trustee of CBL Corporation Security Trust, whose office is at Level 2, 35 Clarence Street, Sydney, New South Wales 2000, Australia or such other office as it may select from time to time as trustee for the Beneficiaries (as defined in the Debenture referred to below) (the "**Security Trustee**").

### BACKGROUND

The Chargor enters into this Deed in connection with the Debenture (as defined below).

**IT IS AGREED** as follows:

#### 1 Definitions

In this Deed:

**"Debenture"** means the debenture dated [-] granted by, amongst others, the Chargor in favour of the Security Trustee.

**"Mortgaged Property"** means any freehold, leasehold or immovable property specified in Schedule 1 (Mortgaged Property).

#### 2 Construction

- 2.1 Unless defined in this Deed, a term defined in the Debenture has the same meaning in this Deed and in any notice given under or in connection with this Deed.
- 2.2 The provisions of clause 2.3(a), clause 2.3(e) to 2.3(h) (inclusive), clause 2.4 to 2.7 (inclusive), clause 2.9, clause 5, clause 6.4 to 6.6 (inclusive), Clause 15 to 39 (inclusive) are incorporated into this Deed as if references in those clauses to the Debenture were references to this Deed and if all references in those clauses to Collateral were references to the Mortgaged Property.

#### 3 Undertaking to Pay

The Chargor covenants with the Security Trustee (as trustee for the Beneficiaries) to pay, discharge and satisfy all the Secured Money when due in accordance with their respective terms (or, if the relevant terms do not specify a time for payment, immediately on demand by the Security Trustee) and to indemnify the Beneficiaries against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Money in accordance with their respective terms.

#### 4 Security

- 4.1 All Security created under this Deed:

- (a) is created in favour of the Security Trustee as trustee for the Beneficiaries;
- (b) is security for the payment, discharge and performance of all the Secured Money except for any Secured Money which, if secured by this Deed, would cause such security to be unlawful or prohibited by any applicable law; and

(c) is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4.2 The Chargor charges by way of first legal mortgage all the Mortgaged Property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use the Mortgaged Property.

## **5 Application to the Land Registry**

The Chargor consents to an application being made to the Land Registry to enter the following restriction in the Proprietorship register of any property which is, or is required to be, registered forming part of the Mortgaged Property:

“No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge not being a charge registered before the entry of this restriction] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of [insert name of Security Trustee here] referred to in the charges register or, if appropriate, signed on such proprietor’s behalf by an authorised signatory of [ ].”

## **6 Miscellaneous**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

## **7 Counterparts**

This Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

## **8 Governing Law**

8.1 This Deed and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law.

- 8.2
- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a “**Dispute**”).
  - (b) The Chargor and the Security Trustee agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly neither the Chargor nor the Security Trustee will argue to the contrary.
  - (c) This Clause 8.2 (Deposit of title documents) is for the benefit of the Security Trustee only. As a result, the Security Trustee will not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

**THIS DEED** is executed as a deed by the Chargor and is signed for and on behalf of the Security Trustee and is delivered and takes effect on the date stated at the beginning of this Deed.

**SCHEDULE 1**  
**MORTGAGED PROPERTY**

*[TBC]*

## EXECUTION PAGES TO LEGAL MORTGAGE

## The Chargor

EXECUTED as a Deed )  
by )  
**INTERCEDE 2408 LIMITED** )

acting by:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Name of Director

in the presence of:

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness

\_\_\_\_\_ Address  
\_\_\_\_\_ Occupation

## The Security Trustee

Signed for and on behalf of

**PERMANENT CUSTODIANS LIMITED**

in its capacity as trustee of

CBL Corporation Security Trust

By:

Address:

Fax:

Attention:

### SCHEDULE 3

#### Initial Shares

Company whose Shares are being charged	Issued share capital	Description and Number of Shares Held
European Insurance Services Limited	50,000 ordinary shares of £1 each	50,000 £1 ordinary shares in European Insurance Services Limited held by the Chargor comprise 100 per cent. of the issued and allotted share capital of that company.

SCHEDULE 4

**Accounts**

<b>Name of Account Bank</b>	<b>Name of Account Holder</b>	<b>Sort Code</b>	<b>Account Number</b>	<b>Currency</b>
Clydesdale Bank	Intercede 2408 Limited	45-05-42	3339500	Euro
Clydesdale Bank	Intercede 2408 Limited	82-66-17	10040270	GBP

## SCHEDULE 5

### Form of Notice and Acknowledgment for Account Bank

#### Part 1

#### Form of Notice to Account Bank

#### [On the Letterhead of the Chargor]

To: [name and address of third party bank]

Attention:[ ]

Copy to: [Security Trustee details]

Date: [ ]

Dear Sirs

**Debenture dated [ ] (the “Debenture”) between, amongst others, [ ] (the “Chargor”) and [ ] (the “Security Trustee”)**

This letter constitutes notice to you that, pursuant to the Debenture, we have [assigned to]/charged (by way of first fixed charge) in favour] of the Security Trustee all our present and future rights and interest in and to account number [ ] in our name with you (the “**Account**”) together with all money from time to time standing to the credit of that Account, all interest accruing in relation to such Account and all Related Rights.

In this notice, “**Related Rights**” means, in respect of the Account, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Account, including sale proceeds and money paid by way of damages, award or judgment made in connection with that Account; and
- (b) all rights and assets of any nature attaching to, deriving from or exerciseable as a result of an interest in or ownership or operation of the Account.

We irrevocably instruct and authorise you to:

- 1 credit to the Account all interest from time to time earned on the sums of money held in the Account;
- 2 deal only with the Security Trustee in relation to the Account unless you receive written instructions from the Security Trustee to the contrary;
- 3 hold all sums from time to time standing to the credit of the Account to the order of the Security Trustee;
- 4 comply with the terms of any written notice or instructions (including payment instructions) relating to the Account or the sums standing to the credit of the Account from time to time which you may receive from the Security Trustee without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instructions;



- 5 disclose to the Security Trustee, without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information relating to the Account and the sums in the Account as the Security Trustee may from time to time request; and
- 6 send copies of all notices and communications relating to the Account to the Security Trustee as well as to us.

Please note that we are and will remain liable to perform all the obligations assumed by us under any mandate or other agreement relating to the Account and that neither the Security Trustee, any Receiver nor any of their agents will at any time have any liability to you regarding the Account.

We are not permitted, without the Security Trustee's prior written consent, to permit or agree to any variation of the terms and conditions relating to the Account or to close the Account.

The instructions in this notice may not be revoked or varied without the prior written consent of the Security Trustee.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to *[identify Security Trustee officer]* at *[insert address details of Security Trustee]* with a copy to us at the above address.

Yours faithfully

.....  
*[Authorised signatory of Chargor]*

**Part 2**  
**Form of Acknowledgement from Account Bank**  
**[On the letterhead of the Account Bank]**

To: [Security Trustee]

Attention: [ ]

Copy to: [ ]

Date: [ ]

Dear Sirs

**Debenture dated [ ] (the “Debenture”) between, amongst others, [ ] (the “Chargor”) and [ ] (the “Security Trustee”)**

We confirm receipt from the Chargor of a notice dated [ ] 201[ ] (the “Notice”) of the creation of [an assignment/a first fixed charge], pursuant to the terms of the Debenture, of all the Chargor's present and future rights and interest in and to account number [ ] held with us in the name of [*the Chargor*] (the “Account”) together with all money from time to time standing to the credit of that Account, all interest accruing in relation to such Account and all Related Rights (as defined in the Notice).

We confirm that:

- 1 the balance on the Account as at today's date is £[ ];
- 2 we accept the instructions and authorisations contained in the Notice and undertake to comply with the terms of the Notice;
- 3 we have not received notice of the creation of any other assignment or security regarding the [Blocked] Account or of the creation of any third party interest in the Account or in the sums of money held in the Account or the debts represented by those sums and we will notify you promptly should we receive any such notice;
- 4 we do not have and will not in future create, accept or enforce any security interest or right of set-off or combination or other right in respect of the Account, the sums of money held in the [Blocked] Account or the debts represented by those sums; and
- 5 we will not amend the terms or conditions upon which the Account is operated or close the Account without your prior written consent.

This letter is governed by English law.

Yours faithfully

.....  
for and on behalf of  
[third party bank]

## SCHEDULE 6

### **Contracts**

No Contracts at the date of this Deed

SCHEDULE 7

**Form of Acknowledgement and Acknowledgement for Contract Counterparty**

**Part 1**

**Form of Notice to Counterparty**

**[On the letterhead of the Chargor]**

To: [Contract counterparty]

Copy to: [Security Trustee details]

Date: [ ]

Dear Sirs

**Debenture dated [ ] between, amongst others, [ ] (the "Chargor") and [ ] (the "Security Trustee") (the "Debenture")**

This letter constitutes notice to you that pursuant to the Debenture we have assigned to the Security Trustee by way of security all our present and future rights under or in connection with [insert details of Contract] (the "**Contract**") (including under any guarantee, warranty or indemnity granted in relation to the Contract) and all Related Rights.

In this notice, "**Related Rights**" means, in respect of the Contract, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Contract, including sale proceeds and money paid by way of damages, award or judgement made in connection with that Contract; and
- (b) all rights and assets of any nature attaching to, deriving from or exerciseable as a result of an interest in or ownership or operation of the Contract.

We irrevocably authorise and instruct you to:

- 1 disclose to the Security Trustee without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Contract as the Security Trustee may at any time request;
- 2 deal only with the Security Trustee in relation to the Contract unless you receive written instructions from the Security Trustee to the contrary;
- 3 pay all sums from time to time due and payable by you under the Contract in accordance with any written instructions given to you by the Security Trustee from time to time;
- 4 comply with the terms of any written notice or instructions relating to the Contract or the debts represented by such Contracts which you receive from the Security Trustee without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and
- 5 send copies of all notices and communications relating to the Contract to the Security Trustee as well as to us.

We further instruct you that upon receipt of notice from the Security Trustee that an Event of Default has occurred and is continuing:

- 1 all remedies provided for in the Contract or available at law or in equity are exercisable by the Security Trustee (provided that the Security Trustee shall have no greater rights under this notice than we have under the Contract);
- 2 all rights to compel performance of the Contract are exercisable by the Security Trustee although the Company shall remain liable to perform all of the obligations assumed by it under the Contract; and
- 3 all rights, interests and benefits whatsoever accruing to or for the benefit of us arising from the Contract belong to the Security Trustee to the exclusion of the Chargor.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Contract and that neither the Security Trustee, any Receiver nor any of their agents will at any time have any liability to you under the Contract.

We are not permitted to agree any amendment or supplement to, or to waive any term of the Contract, or to terminate the Contract or to allow it to lapse other than where the Contract expires in accordance with its terms and not by reason of default without the prior written consent of the Security Trustee.

The instructions in this notice may not be revoked or amended without the prior written consent of the Security Trustee.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Trustee at [address], with a copy to us at the above address.

Yours faithfully

.....  
For and on behalf of  
[CHARGOR]

**Part 2**  
**Form of Acknowledgement from Counterparty**  
**[On the letterhead of the Counterparty]**

To: [Security Trustee]  
[Address]  
Copy: [Chargor]

Date: [ ]

Dear Sirs

**Debenture dated [ ] between, amongst others, [ ] (the "Chargor") and [ ] (the "Security Trustee") (the "Debenture")**

We confirm receipt from the Chargor of a notice dated [ ] (the "Notice") of an assignment, pursuant to the terms of the Debenture, of all the Chargor's present and future rights under or in connection with [insert details of Contract] (the "Contract") (including under any guarantee, warranty or indemnity granted in relation to the Contract) and all Related Rights (as defined in the Notice).

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance with and comply with the terms of the Notice;
- 2 we have not received notice of the creation of any other assignment of or security over rights or proceeds arising under the Contract in favour of any third party or the creation of any other third party interest in those rights or proceeds and we will notify you promptly should we receive any such notice;
- 3 we have not claimed or exercised nor do we have any outstanding right to claim or exercise against the Chargor any right of set-off, counter claim or other right relating to the Contract; and
- 4 we agree that no term of the Contract may be amended, supplemented or waived without your prior written consent;
- 5 we agree that the Contract may not be terminated or allowed to lapse [other than where the Contract expires in accordance with its terms and not by reason of default] without your prior written consent.

This letter is governed by English law.

Yours faithfully

.....  
For and on behalf of  
[COUNTERPARTY]

## SCHEDULE 8

### **Policies**

No Policies at the date of this Deed

SCHEDULE 9

**Form of Notice and Acknowledgement for Insurer**

**Part 1**

**Form of Notice to Insurer**

**[On the letterhead of the Chargor]**

To: [insert name and address of Insurer]

Copy to: [Security Trustee details]

Date: [ ]

Dear Sirs

**Debenture dated [ ] between, amongst others, [ ] (the "Chargor") and [ ] (the "Security Trustee") (the "Debenture")**

This letter constitutes notice to you that, pursuant to the Debenture, we have assigned to the Security Trustee by way of security all amounts payable to us under or in connection with the policies described below (the "**Policies**"), all our rights in connection with those amounts and all Related Rights.

In this notice, "**Related Rights**" means, in respect of the Policies, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Policies, including sale proceeds and money paid by way of damages, award or judgement made in connection with that Policy; and
- (b) all rights and assets of any nature attaching to, deriving from or exerciseable as a result of an interest in or ownership or operation of the Policies.

**[Describe insurances]**

We irrevocably authorise and instruct you to:

- 1 disclose to the Security Trustee without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Policies as the Security Trustee may at any time request;
- 2 pay any sums from time to time due and payable by you under the Policies to the Security Trustee [to the following account: [insert account details] or] in accordance with any written instructions given to you by the Security Trustee from time to time;
- 3 comply with the terms of any notice or instructions relating to the Policies which you receive from the Security Trustee (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction);
- 4 note on the Policies the Security Trustee's interest as first priority assignee of (i) all amounts payable under the Policies; and (ii) all rights in connection with those amounts and to identify the Security Trustee as [sole loss payee] and as co-insured in respect of each Policy; and
- 5 send copies of all notices issued under the Policies to the Security Trustee as well as to us.



Please note that we are and will remain liable to perform all the obligations assumed by us under the Policies and that neither the Security Trustee, any Receiver nor any of their agents nor any other person will have any liability to you under the Policies.

We are not permitted to agree any amendment or supplement to or to waive any term of the Policies or to terminate any Policy without the prior written consent of the Security Trustee.

The instructions in this notice may not be revoked or amended without the prior written consent of the Security Trustee.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Trustee at [address] with a copy to us at the above address.

This notice is governed by English law.

Yours faithfully

.....  
For and on behalf of  
[CHARGOR]

**Part 2**  
**Form of Acknowledgement from Insurer**  
**[On the letterhead of the Insurer]**

To: [Security Trustee]  
[Address]

Copy: [Chargor]

Date: [ ]

Dear Sirs

**Debenture dated [ ] between, amongst others, [ ] (the "Chargor") and [ ] (the "Security Trustee") (the "Debenture")**

We acknowledge receipt from the Chargor of a notice dated [ ] (the "**Notice**") of an assignment, pursuant to the terms of the Debenture, of (i) all amounts payable to the Chargor under or in connection with the Policies; (ii) all the Chargor's rights in connection with those amounts; and (iii) all Related Rights, as defined in the Debenture (as defined in the Notice).

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and undertake to act in accordance with and comply with the terms of the Notice;
- 2 we [will note/have noted] your interest as first priority assignee of the amounts and rights referred to above and have identified you as co-insured and sole loss payee on the Policies;
- 3 we will not terminate or otherwise allow any of the Policies to lapse without giving you at least [14 days] prior written notice;
- 4 we have not received notice of the creation of any other assignment of or any security over rights or proceeds arising under the Policies in favour of any third party or the creation of any other third party interest in those rights or proceeds;
- 5 we will notify you, the Security Trustee, at least 14 days before the Policy is due to expire, if we have not received the Chargor's renewal instructions in relation to such Policy;
- 6 we agree that no term of the Policies may be amended, supplemented or waived without your prior written consent;
- 7 we agree to notify you if the Chargor breaches the terms of any Policy or otherwise gives us grounds to declare any Policy void or voidable and, where the breach is capable of being remedied, to allow you or your agents to remedy the relevant breach; and
- 8 we have not claimed or exercised, and have no outstanding right to claim or exercise, any right of set-off or counterclaim, or other right, in relation to any sum paid or payable under the Policy.

All terms used in this letter have the same meaning as in the Notice.

This letter is governed by English law.

Yours faithfully

.....  
For and on behalf of  
[Name of insurance company]

**EXECUTION PAGES**

**The Chargor**

Executed as a deed by **INTERCEDE 2408 LIMITED** acting by:



signature of director

CAROL MULLALLY

print name of director

Director

in the presence of:



signature of witness

print name of witness

Address

Christopher Leslie Ashton  
Solicitor  
Auckland

Occupation

**Notice details**

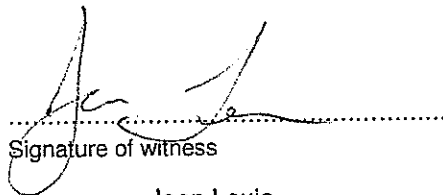
c/o CAL  
Address: Level 8, 51 Shortland St, Auckland, NZ  
Fax: +64 9 300 5046

Security Trustee

SIGNED SEALED AND DELIVERED )

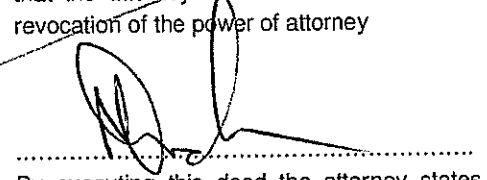
by Marjana Cvetanoska )  
and Managing Director )

as attorneys for **PERMANENT** )  
**CUSTODIANS LIMITED** in its capacity as )  
trustee of CBL Corporation Security Trust )  
under power of attorney in the presence of: )

  
Signature of witness )

Jean Louie )  
Name of witness (block letters) )

.....  
By executing this deed the attorney states  
that the attorney has received no notice of  
revocation of the power of attorney

  
.....  
By executing this deed the attorney states  
that the attorney has received no notice of  
revocation of the power of attorney

KING & WOOD  
MALLESONS  
SJ BERWIN

## Debenture

Dated 15 April 2014

European Insurance Services Limited (1)  
Permanent Custodians Limited in its capacity as  
trustee of CBL Corporation Security Trust as Security  
Trustee (2)

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THIS DEED is dated 15 April 2014 and made between:

- (1) **EUROPEAN INSURANCE SERVICES LIMITED** incorporated in England and Wales with company number 05681736 and whose registered office is at 12 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1PA (the "**Chargor**"); and
- (2) **PERMANENT CUSTODIANS LIMITED** in its capacity as trustee of CBL Corporation Security Trust with company number 55001426384 whose registered office is at Level 2, 35 Clarence Street, Sydney, New South Wales 2000, Australia acting in its capacity as security trustee for and on behalf of the Beneficiaries (the "**Security Trustee**").

**BACKGROUND:**

The Chargor enters into this Deed in connection with the Security Trust Deed (as defined below).

IT IS AGREED as follows:

**1 Definitions**

In this Deed:

"**Account Bank**" means each bank, financial institution or other person with whom an Account is maintained.

"**Accounts**" means the account(s) details of which are specified in Schedule 4 (Accounts) and all other accounts at any time owned or operated by the Chargor with any Account Bank as renumbered or redesignated from time to time, each replacement account or sub-account relating to any of them, all money from time to time standing to the credit of those accounts, all interest accruing in relation to them and the debt or debts represented by them, excluding, for the avoidance of doubt, any client accounts in the name of any of the Chargor's clients.

"**Administrator**" means any administrator appointed in respect of the Chargor whether by the Security Trustee, a court or otherwise.

"**Available Balance**" means that part of an amount maintained with CREST which, under the CREST rules, is under the control of the account holder.

"**Beneficiary**" means:

- (a) the Security Trustee;
- (b) the Note Trustee;
- (c) each Agent;
- (d) a Noteholder; or
- (e) any other person which the Security Trustee (acting on the instructions of any Beneficiary) acknowledges is a Beneficiary for the purposes of this definition and who assumes the obligations of, and becomes bound as, a Beneficiary in accordance with this Deed,

but excludes any person who has ceased to be a "Beneficiary" in accordance with this Deed.

"**Chattels**" means all plant, machinery, vehicles, tools, computers, equipment, furniture and other chattels (excluding any for the time being forming part of the Chargor's stock in trade or work in progress) and any renewals or replacements of them together with the benefit of all warranties, guarantees, maintenance contracts, consents and licences relating to them.



**"Collateral"** means the rights, interests and assets from time to time subject, or expressed to be subject, to the Security created or expressed to be created by this Deed or any document entered into pursuant or supplemental to this Deed (including but not limited to any Legal Mortgage).

**"Contracts"** means each of the contracts described in Schedule 6 (Contracts), and any other agreement designated in writing as a Contract by the Security Trustee and the Chargor.

**"CREST"** means the electronic settlement system for United Kingdom and Irish Securities operated by Euroclear UK & Ireland Limited or any successor system for the time being.

**"CREST Manual"** means the document entitled "CREST Reference Manual" relating to the operation of CREST issued by Euroclear UK & Ireland Limited.

**"Delegate"** means any delegate, agent, attorney or co-trustee appointed by the Security Trustee and/or any Receiver (as appropriate).

**"Discharge Date"** means the date on which all the Secured Money has been irrevocably discharged in full.

**"Dividends"** means all dividends and distributions of any kind, interest and any other income received or receivable in relation to any of the Shares.

**"Event of Default"** means the occurrence of any event set out in Condition 12 of the Information Memorandum.

**"Information Memorandum"** has the meaning given to that term in the Security Trust Deed.

**"Initial Shares"** means those shares, stocks, debentures, bonds, warrants, coupons or other securities or investments described in Schedule 3 (Initial Shares).

**"Intellectual Property"** means:

- (a) all patents, trade marks, service marks, designs, business and trade names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests whether registered or unregistered; and
- (b) the benefit of all applications, licences and rights to use the assets listed in paragraph (a) above.

**"Investments"** means the Shares and Dividends.

**"Lease"** means any lease, sub-lease, licence, tenancy, agreement for lease or any other agreement or right to occupy governing the use or occupation of any of the Real Property, whether on a fixed term or periodic basis.

**"Legal Mortgage"** means a charge by way of legal mortgage granted by the Chargor in favour of the Security Trustee and in the form of Schedule 2 (Form of Legal Mortgage) in respect of all or any part of the Real Property acquired by the Chargor after the date of this Deed.

**"LPA"** means the Law of Property Act 1925.

**"Material Adverse Effect"** means an event or circumstance which has, or would reasonably be expected to have, a material adverse effect on the ability of the Chargor to meet its obligations under any Transaction Document.

**"Material Intellectual Property"** means Intellectual Property that is material in the context of the business of the Chargor and which is required by it in order to carry on all material aspects of its business being conducted.

**"Monetary Claims"** means all book and other debts and monetary claims of any nature and however arising at any time owing to the Chargor or in which it has an interest and all proceeds of

those debts and claims together with the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same.

**"Mortgaged Property"** means any freehold, leasehold or immovable property specified in Schedule 1 (Mortgaged Property) and any freehold, leasehold or immovable property specified in the schedule to any Legal Mortgage.

**"Note Trust Deed"** has the meaning given to that term in the Security Trust Deed.

**"Party"** means a party to this Deed.

**"Planning Legislation"** means any legislation regulating the development or use of land or the erection or demolition of buildings and other structures on such land and all orders, regulations and permissions made, issued or granted under such legislation.

**"Policies"** means each of the insurance policies described in Schedule 8 (Policies) and each other insurance policy taken out at any time by or on behalf of the Chargor or in respect of which it has an interest or a right to claim.

**"Real Property"** means:

- (a) the Mortgaged Property;
- (b) any other freehold, leasehold or immovable property in which the Chargor has an interest; and
- (c) any buildings, erections, fixtures, fittings (including trade fittings and machinery) and fixed plant and machinery from time to time situated on or forming part of the property listed in paragraphs (a) above and (b) above.

**"Receiver"** means an administrative receiver, receiver and manager or a receiver, in each case appointed under this Deed.

**"Regulations"** means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226).

**"Related Rights"** means, as regards any Collateral, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Collateral, including sale proceeds and money paid by way of damages, award or judgment made in connection with that Collateral; and
- (b) all rights and assets of any nature attaching to, deriving from or exercisable as a result of the Chargor's interest in or ownership or operation of the Collateral.

**"Relevant Currency"** means, in relation to each of the Secured Money, the currency in which it is from time to time denominated.

**"Relevant Jurisdiction"** means, in relation to the Chargor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Security to be created by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Transaction Documents entered into by it.

**"Secured Money"** means all amounts which:

at any time;

for any reason or circumstance in connection with the Transaction Documents (including transactions in connection with them)

whether arising under law or otherwise (including liquidated or unliquidated damages for default or breach of any obligation); and

whether or not of a type within the contemplation of the parties at the date of this deed:

- (a) a Security Provider is or may become actually or contingently liable to pay to a Beneficiary; or
- (b) a Beneficiary has advanced or paid on a Security Provider's behalf or at a Security Provider's express or implied request; or
- (c) a Beneficiary is liable to pay by reason of any act or omission on a Security Provider's part or that the Beneficiary has paid or advanced in protecting or maintaining the Secured Property or a Transaction Document following an act or omission on a Security Provider's part; or
- (d) a Security Provider would have been liable to pay the Beneficiary but the amount remains unpaid by reason of the Security Provider's insolvency.

This definition applies:

- (i) irrespective of the capacity in which the Security Provider or the Beneficiary became entitled to, or liable in respect of, the amount concerned;
- (ii) whether the Security Provider or the Beneficiary is liable as principal debtor, as surety, or otherwise;
- (iii) whether the Security Provider is liable alone, or together with another person;
- (iv) even if the Security Provider owes an amount or obligation to the Beneficiary because it was assigned to the Beneficiary, whether or not:
  - (A) the assignment was before, at the same time as, or after the date of this deed; or
  - (B) the Security Provider consented to or was aware of the assignment; or
  - (C) the assigned obligation was secured before the assignment;
- (v) even if a Transaction Document was assigned to the Beneficiary, whether or not:
  - (A) the Security Provider consented to or was aware of the assignment; or
  - (B) any of the Secured Money was previously unsecured; or
- (vi) if the Security Provider is a trustee, whether or not it has a right of indemnity from the trust fund.

**"Security"** means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Security Provider"** means the Issuer and each other security provider listed in Schedule 1 ("Security Providers") of the Security Trust Deed and each Additional Security Provider (as defined

in the Security Trust Deed) unless it has ceased to be a Security Provider in accordance with clause 12.3 of the Security Trust Deed.

**"Security Trust Deed"** means the security trust deed dated on or about the date hereof and made between (amongst others) (1) the Security Trustee (2) the Chargor and (3) CBL Corporation Limited.

**"Settlement System"** means CREST or any other electronic settlement system.

**"Shares"** means:

- (a) the Initial Shares and all shares, stocks, debentures, bonds, warrants, coupons, interests in collective investment schemes and all other securities and investments of any kind whatsoever (whether in certificated or uncertificated form) at any time owned by the Chargor or in which it has an interest;
- (b) shares, stocks, debentures, bonds, warrants, coupons, securities, investments, money or other assets arising by way of conversion, exchange, substitution, rights issue, redemption, bonus, preference, option or otherwise in relation to any of the assets referred to in paragraph (a) above;
- (c) rights to subscribe for, purchase or otherwise acquire any of the assets referred to in paragraph (a) above through options, warrants or otherwise; and
- (d) rights relating to any of the assets referred to in paragraph (a) above which are deposited with or registered in the name of any depository, custodian, nominee, clearing house or investment manager or similar person whether on a fungible basis or otherwise and including all rights against that person and where any of the assets referred to in paragraph (a) above are held in a Settlement System:
  - (i) rights of any kind against that Settlement System, including (without limitation) any rights which the Chargor may have (A) under any agreement with that Settlement System or its operator and/or (B) to require delivery by that Settlement System of any of those assets to, or to the order of, the Chargor; and
  - (ii) rights of any kind against a custodian in respect of any of those assets held in that custodian's account with a Settlement System including (without limitation) any rights which the Chargor may have (A) under any agreement with that custodian relating to the use of that account and/or (B) to require delivery by that custodian of any of those assets to, or to the order of, the Chargor.

**"Tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or delay in paying any of the same).

**"Transaction Document"** has the meaning given to that term in the Security Trust Deed.

## 2 Interpretation

- 2.1 Unless defined in this Deed, a term defined in the Security Trust Deed has the same meaning in this Deed and in any notice given under or in connection with this Deed.
- 2.2 The rules and interpretation contained in clause 1.2 (Interpretation) of the Security Trust Deed shall apply to this Deed as if set out *mutatis mutandis* in this Deed.
- 2.3 Unless a contrary indication appears, a reference in this Deed to:
- (a) a document in "**agreed form**" is a document which is previously agreed in writing by the Chargor and the Security Trustee or, if not so agreed, is in the form specified by the Security Trustee;
  - (b) "**certificated**" has the meaning given to it in the Uncertificated Securities Regulations 2001;
  - (c) "**clearance system**" means a person whose business is or includes the provision of clearance services or security accounts or any nominee or depositary for that person;
  - (d) "**Collateral**" includes:
    - (A) any part of that Collateral;
    - (B) any present and future assets of that type; and
    - (C) all Related Rights relating to that Collateral;
  - (e) "**Secured Money**" is deemed to include a reference to any part of them;
  - (f) the "**Security Trustee**" or "**Chargor**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
  - (g) a provision of law is a reference to that provision as amended or re-enacted; and
  - (h) the singular is deemed to include the plural and vice versa.
- 2.4 An Event of Default is "continuing" if it is continuing in accordance with the terms of the Transaction Document under which it arises.
- 2.5 Any undertaking given by the Chargor under this Deed remains in force until the Discharge Date and is given for the benefit of each Beneficiary.
- 2.6 The terms of the other Transaction Documents are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 2.7 The absence of or incomplete details of any Collateral in any Schedule does not affect the validity or enforceability of any Security under this Debenture.
- 2.8 Clauses 4.2 (Land) to 4.10 (Miscellaneous) shall be construed as creating a separate and distinct mortgage or fixed charge over each relevant asset within any particular class of assets defined under this Deed and the failure to create an effective mortgage or fixed charge (whether arising out of this Deed or any act or omission by any Party) on any one asset shall not affect the nature of any mortgage or fixed charge imposed on any other asset whether within that same class of assets or not.
- 2.9 If the Security Trustee considers that an amount paid to any Beneficiary under any Transaction Document or in relation to any Secured Money is capable of being avoided or otherwise set aside

on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.

- 2.10 The parties to this Deed agree that this Deed shall constitute a Specific Security Agreement and a Transaction Document for the purposes of the Security Trust Deed.

### **3 Undertaking to Pay**

The Chargor covenants to pay, discharge and satisfy all the Secured Money when due in accordance with the terms of the Transaction Documents and to indemnify the Beneficiaries against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Money in accordance with their respective terms.

## **4 Security**

### **4.1 General**

- (a) All the Security created under this Deed:
- (i) is created in favour of the Security Trustee as trustee for the Beneficiaries;
  - (ii) is security for the payment, discharge and performance all of the Secured Money except for any Secured Money which, if secured by this Deed, would cause such Security to be unlawful or prohibited by any applicable law; and
  - (iii) is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) If the Chargor assigns its rights under an agreement (or charges those rights by way of first fixed charge) under this Deed and that assignment or charge breaches a term of that agreement because a third party's consent has not been obtained:
- (i) the Chargor shall notify the Security Trustee promptly;
  - (ii) until the consent is obtained, this Deed will secure all amounts of any nature which the Chargor may now or in future receive under or in connection with that agreement but exclude rights under the agreement itself;
  - (iii) unless the Security Trustee otherwise requires, the Chargor shall, and each other Chargor shall ensure that the Chargor will, use all reasonable endeavours to obtain the consent of the relevant party to rights under that agreement being secured in accordance with this Deed; and
  - (iv) the Chargor shall promptly supply the Security Trustee with a copy of any consent obtained by it.

### **4.2 Land**

The Chargor charges:

- (a) by way of a first legal mortgage, all the Mortgaged Property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use Mortgaged Property; and
- (b) (to the extent that they are not the subject of a mortgage under paragraph (a) above) by way of first fixed charge, all the Real Property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use Real Property.

### **4.3 Investments**

The Chargor charges by way of a first fixed charge all the Shares and Dividends.

#### 4.4 Chattels

The Chargor charges by way of a first fixed charge all the Chattels owned by it and its interest in any Chattels in its possession.

#### 4.5 Accounts

The Chargor charges by way of a first fixed charge all its rights and interest in and to the Accounts.

#### 4.6 Monetary Claims

The Chargor charges by way of a first fixed charge all the Monetary Claims.

#### 4.7 Contracts

(a) The Chargor assigns absolutely, by way of security, subject to reassignment by the Security Trustee in accordance with Clause 28 (Release of Security), all its rights in respect of:

- (i) the Contracts;
- (ii) any letter of credit issued in its favour; and
- (iii) any bill of exchange or other negotiable instrument held by it.

(b) To the extent that they are not effectively assigned under paragraph (a) above, the Chargor charges by way of first fixed charge all its rights described in paragraph (a) above.

#### 4.8 Insurances

(a) The Chargor assigns absolutely, by way of security, subject to reassignment by the Security Trustee in accordance with Clause 28 (Release of Security), all amounts payable to it under or in connection with the Policies and all of its rights in connection with those amounts.

(b) To the extent that they are not effectively assigned under paragraph (a) above, the Chargor charges by way of a first fixed charge the relevant amounts and rights described in paragraph (a) above.

#### 4.9 Intellectual Property

The Chargor charges by way of first fixed charge all its rights in its Intellectual Property.

#### 4.10 Miscellaneous

The Chargor charges by way of first fixed charge:

- (a) any beneficial interest, claim or entitlement it has in any pension fund;
- (b) all rights to recover any value added tax on any supplies made to it relating to any Collateral and any sums so recovered;
- (c) its goodwill and uncalled capital; and
- (d) the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Collateral and the right to recover and receive compensation or any other sum payable in relation to any authorisation.

#### 4.11 Floating charge

- (a) The Chargor charges by way of a first floating charge all of its assets whatsoever and wheresoever not at any time otherwise effectively mortgaged, charged or assigned by way of mortgage, fixed charge or assignment under this Clause 4.
- (b) The floating charge created by paragraph (a) above is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

#### 4.12 Crystallisation

- (a) The Security Trustee may at any time by notice in writing to the Chargor convert any floating charge created by the Chargor pursuant to Clause 4.11 into a fixed charge with immediate effect as regards any property or assets specified in the notice if:
  - (i) the security constituted by this Deed has become enforceable in accordance with Clause 15 (Enforcement of Security); or
  - (ii) the Security Trustee reasonably considers any Collateral to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy; or
  - (iii) the Security Trustee reasonably considers that it is necessary in order to protect the priority of its Security.
- (b) Notwithstanding paragraph (a) above and without prejudice to any rule of law which may have a similar effect, the floating charge created by Clause 4.11 will automatically and immediately (without notice) convert into a fixed charge over all the Chargor's assets if:
  - (i) the Chargor creates or attempts to create any Security over any of the Collateral otherwise than in accordance with the terms of any Transaction Document;
  - (ii) any person levies or attempts to levy any distress, execution or other process against any of the Collateral save where such attempt is discharged within 14 days;
  - (iii) an administrator is appointed in respect of the Chargor or a person entitled to appoint an administrator in respect of the Chargor gives notice of its intention to do so or files a notice of appointment with a court other than a notice which is discharged, stayed or dismissed within 14 days of filing; or
  - (iv) any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, winding up, dissolution or re-organisation of the Chargor other than a winding-up petition which is discharged, stayed or dismissed within 14 days of commencement.
- (c) The floating charge created by Clause 4.11 may not be converted into a fixed charge solely by reason of:
  - (i) the obtaining of a moratorium; or
  - (ii) anything done with a view to obtaining a moratorium,under the Insolvency Act 2000.

#### 4.13 Exclusion

- (a) Subject to Clause 4.13(b) below, the assets subject to the charges and assignments constituted or created pursuant to Clause 4 (Security) shall not include:



- (i) any cash, credit balance or financial collateral (as defined in the Regulations) from time to time held by the Chargor in order for the Chargor to comply with its minimum regulatory capital resources requirement as set out in the MIPRU sourcebook of the UK Financial Conduct Authority's Handbook of Rules and Guidance from time to time, such requirement being at the date of this Deed the higher of either (i) £5,000 (five thousand British pounds) or (ii) 2.5% of the annual income arising from the Chargor's regulated activities (such annual income being the amount shown in the Chargor's most recent annual audited financial statements); and
- (ii) any additional resources which the Chargor is required to maintain in order for the Chargor to maintain appropriate resources in accordance with COND 2.4 of the COND sourcebook of the UK Financial Conduct Authority's Handbook of Rules and Guidance "Additional Resources", provided that written notification of any such Additional Resources is given by the Chargor to the Security Trustee. At the date of this Deed such Additional Resources shall constitute: (i) the IT system of the Company; (ii) the phone system and mobiles phones of the Company and (iii) the office equipment of the Company being the desks, computers and chairs.

The assets described in paragraphs (i) and (ii) above from time to time being the "Regulatory Capital Assets".

- (b) To the extent that any of the Regulatory Capital Assets are not required following an enforcement event under this Deed, in order to achieve an orderly wind down of the business of the Chargor, such assets shall continue to be subject to the Security and shall constitute Collateral.

## **5 General Representations and Warranties**

### **5.1 General Representations and Warranties**

The Chargor represents and warrants to the Security Trustee that:

- (a) Status
  - (i) It is a private limited liability company, duly incorporated and validly existing under the law of England and Wales.
  - (ii) It has the power to own its assets and carry on its business as it is being conducted.
- (b) Binding obligations
  - (i) the obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations;
  - (ii) (without limiting the generality of paragraph (i) above) this Deed creates the Security which it purports to create and that Security is valid and effective.

- (c) Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

- (i) any law or regulation applicable to it;
- (ii) its constitutional documents; or

- (iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.
- (d) Power and authority
  - (i) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Deed and the transactions contemplated by this Deed.
  - (ii) No limit on its powers will be exceeded as a result of creating any Security or giving any indemnity contemplated by this Deed.
- (e) Validity and admissibility in evidence
 

All authorisations required or desirable:

  - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed;
  - (ii) to make this Deed admissible in evidence in its Relevant Jurisdictions; and
  - (iii) to enable it to grant the Security constituted, or expressed to be constituted, by this Deed and to ensure that such Security has and will have the priority and ranking which it is expressed to have in this Deed,

have been obtained or effected and are in full force and effect, save for the making of any appropriate registrations of this Deed with the Registrar of Companies and at the Land Registry.
- (f) Governing law
  - (i) The choice of governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.
  - (ii) Any judgment obtained in relation to this Deed in England will be recognised and enforced in its Relevant Jurisdictions.
- (g) Ranking
 

Subject to the requirements specified at the end of (e) above this Deed creates first ranking Security in favour of the Security Trustee as trustee on behalf of the Beneficiaries.
- (h) Legal and beneficial ownership
 

It is the sole legal and beneficial owner of the Collateral over which it purports to grant Security and such Collateral are free from any claims, third party rights or competing interests.
- (i) No existing Security
 

Except for the Security constituted by this Deed, no Security exists in respect of any of the Collateral.

## 5.2 Repetition

The of the representations and warranties made by the Chargor in this Clause and elsewhere in this Deed are made on the date of this Deed and are deemed to be repeated by the Chargor:

- (a) on each date on which the Chargor acquires Collateral; and

- (b) on each date on which financial accommodation is provided under the Transaction Documents; and
- (c) every three months after the date of this Deed.

## **6 General Undertakings**

### **6.1 Security**

The Chargor shall not create or permit to subsist any Security over the Collateral other than pursuant to this Deed or as permitted by any Transaction Document.

### **6.2 Disposal**

The Chargor shall not (nor agree to) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any of the Collateral save as permitted by the Transaction Documents.

### **6.3 Collateral**

The Chargor shall:

- (a) comply with all laws binding on it, or applicable to it, or the Collateral where failure to comply is likely to have Material Adverse Effect;
- (b) protect the Collateral from theft, loss or damage; and
- (c) not take any action (or permit any action to be taken) which results or could result in any of its rights relating to any Collateral being impaired or the value of the Collateral being lowered.

### **6.4 Conduct of business**

The Chargor shall:

- (a) carry on its business in a proper, orderly and efficient manner and shall not cease, or significantly change the general nature of, its business; and
- (b) maintain the Collateral in good working order and condition (ordinary wear and tear excepted) and correct any defect to the extent that failure to do so would be likely to have a Material Adverse Effect.

### **6.5 Authorisations**

The Chargor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Security Trustee of,

any authorisation required under any law or regulation of a Relevant Jurisdiction to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence of this Deed.

### **6.6 Security not to be prejudiced**

The Chargor shall not do, or permit to be done, anything which could prejudice the Security constituted or expressed to be constituted by this Deed.

## 6.7 Tax

The Chargor shall promptly pay all rates and Tax due and payable by it, except those which it is contesting in good faith and pay all rates and Tax contested in good faith which remain due and payable by it after final determination or settlement of the contest.

## 6.8 Environment

The Chargor shall:

- (a) implement, maintain and comply in all material respects with an environmental management plan. The plan must include procedures designed to ensure that the Chargor and its subsidiaries comply with all environmental law;
- (b) if any non-compliance by the Chargor or any of its subsidiaries with an environmental law occurs which has had or is likely to have a Material Adverse Effect, use its best endeavours to promptly remedy it; and
- (c) if the Security Trustee asks, arrange at its expense an audit of the Chargor and its subsidiaries' environmental management plan and its compliance with environmental law. The Security Trustee may ask the Chargor to do this if it reasonably suspects that the Chargor is not complying with paragraph (a) or with an environmental law, and that the non-compliance has had or is likely to have a Material Adverse Effect.

## 7 Real Property

### 7.1 Acquisitions

- (a) If the Chargor acquires any freehold, leasehold or commonhold property after the date of this Deed it shall:
  - (i) notify the Security Trustee promptly;
  - (ii) promptly on request by the Security Trustee and at the cost of the Chargor, execute and deliver to the Security Trustee a Legal Mortgage in favour of the Security Trustee (as trustee for the Beneficiaries) of that property;
  - (iii) if the title to that freehold, leasehold or commonhold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of the Legal Mortgage; and
  - (iv) if applicable, ensure that details of the Legal Mortgage are correctly noted in the Register of Title against that title at the Land Registry.
- (b) If the consent of the landlord in whom the reversion of a lease is vested is required for the Chargor to execute a Legal Mortgage over it, the Chargor will not be required to perform that obligation unless and until it has obtained the landlord's consent. The Chargor shall promptly request the relevant landlord's consent and shall use all reasonable endeavours to obtain that consent within 14 days of making the request.

### 7.2 Notices

The Chargor shall:

- (a) promptly give to the Security Trustee full particulars with respect to (and, if requested by the Security Trustee, a copy of) any notice, order, directive, designation, resolution or proposal which applies to any of its Real Property or to the area in which it is situate and which is issued:

- (i) by any planning authority or other public body or authority under or by virtue of any Planning Legislation;
- (ii) pursuant to any law or regulation relating to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants;
- (iii) pursuant to section 146 of the LPA; or
- (iv) pursuant to some other power conferred by law;
- (b) without delay and its own cost, make such objections or representations (or join with the Security Trustee in making such objections or representations) against or in respect of any such notice, order, directive, designation, resolution or proposal as the Security Trustee (acting reasonably) may direct; and
- (c) take all steps necessary to comply with each such notice, order, directive, designation, resolution or proposal.

### 7.3 Leases

- (a) The Chargor shall not grant or agree to grant (whether in exercise, or independently, of any statutory power) any Lease of its Real Property or any licence or consent (whether expressly or by conduct) for assignment, parting with or sharing possession or occupation, underletting, change of use or alterations in relation to any Lease to which any part of its Real Property is subject and nor shall it accept (or agree to accept) any surrender, cancellation, assignment, charge or other disposal of, or agree to vary, any such Lease.
- (b) The Chargor shall:
  - (i) pay the rent reserved by and otherwise perform and observe all covenants, stipulations and obligations on the part of the lessee (and diligently enforce performance of the obligations on the part of the lessor) contained in any Lease constituting part of its Real Property;
  - (ii) promptly notify the Security Trustee if any Lease in respect of which it is the lessee has or may become subject to determination or to the exercise by the lessor of any right of re-entry or forfeiture and, if so required by the Security Trustee acting reasonably, diligently pursue applications for relief from any such rights of re-entry or forfeiture;
  - (iii) if the Security Trustee so requires, serve notice in respect of any fixed charge (as defined in the Landlord and Tenant (Covenants) Act 1995) in the appropriate form on any former tenant under a lease of Real Property or the guarantor of such a tenant;
  - (iv) in respect of any Lease of which it is the lessee refrain from agreeing any change in the rent reserved by any such Lease without the prior written consent of the Security Trustee acting reasonably; and
  - (v) in respect of any Lease of which it is the lessor:
    - (A) implement any provision for the review of any rent reserved by any such Lease and not agree to a change in rent without the prior written consent of the Security Trustee acting reasonably;
    - (B) not agree to any amendment, waiver, renewal or surrender of such Lease;

- (C) exercise any right of re-entry, exercise any option or power to break or determine or commence forfeiture proceedings against any lessee under any such Lease; and
- (D) otherwise efficiently manage the premises the subject of each such Lease.

#### 7.4 The Land Registry

- (a) The Chargor consents to an application being made to the Land Registry to enter the following restriction on the Register of Title relating to any Real Property registered at the Land Registry:  
  
"No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of Permanent Custodians Limited in its capacity as trustee of CBL Corporation Security Trust referred to in the charges register or, if appropriate, signed on such proprietor's behalf by an authorised signatory of Permanent Custodians Limited in its capacity as trustee of CBL Corporation Security Trust."
- (b) The Chargor shall not, without the Security Trustee's prior written consent, allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor of any of the Real Property and will not, as regards any Real Property, create or permit to arise any overriding interest within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003.
- (c) The Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Security created by or pursuant to this Deed.
- (d) The Chargor authorises the Security Trustee and/or any solicitors or other agent acting on behalf of the Security Trustee to complete, execute and deliver on the Chargor's behalf (but at the cost of the Chargor) to the Land Registry any form, document or other information requested by the Land Registry with regard to the applications referred to in this Clause 7.4.

#### 7.5 Deposit of title deeds

The Chargor shall as soon as reasonably practicable deposit with the Security Trustee all deeds and documents of title relating to its Real Property and all local land charges, land charges and Land Registry search certificates and similar documents received by it or on its behalf.

#### 7.6 Maintenance

The Chargor shall:

- (a) from time to time on request, furnish to the Security Trustee such information in relation to its Real Property and the Leases to which its Real Property shall be subject as the Security Trustee may reasonably require and permit the Security Trustee, its agents, officers and employees free access at all reasonable times (and on reasonable notice) to view the state and condition of its Real Property without becoming liable to account as mortgagee in possession but subject always to the restrictions and conditions on access to any part of the Real Property imposed by any occupational lease;
- (b) keep the Real Property in good repair and condition and decorative order and shall promptly repair any defect or damage affecting its Real Property (ordinary wear and tear

excepted and subject in the case of leasehold properties being under no greater obligation to repair the Real Property than owed to the landlord under the relevant lease) and, where necessary, replace such items with others of similar quality and value unless such items are obsolete and no longer needed; and

- (c) not at any time without the prior written consent of the Security Trustee acting reasonably:
  - (i) carry out or permit any demolition, reconstruction or rebuilding of its Real Property or any structural alterations or material change in its use; or
  - (ii) sever, unfix or remove any of the fixtures, fittings, plant or machinery (other than its stock in trade and work in progress) on or in its Real Property (except for the purpose and in the course of making necessary repairs to such Real Property or for replacing the same with new or improved models or substitutes).

#### 7.7 Development

The Chargor shall not, without the prior written consent of the Security Trustee, carry out or permit to be carried out any Development (as defined in the Town and Country Planning Act 1990) or change, or permit any change in, the user of any Real Property.

#### 7.8 Compliance

The Chargor shall comply with:

- (a) all laws for the time being in force; and
- (b) all notices, orders, directives, licences, consents and assurances given or made under any law or regulation by any person, in each case, insofar as the same relate to its Real Property or the occupation and use of its Real Property,

in each case where failure to do so would have a Material Adverse Effect.

#### 7.9 Planning

The Chargor agrees that it shall:

- (a) refrain from doing anything on or in relation to any of its Real Property if the doing of such thing would require a consent under any Planning Legislation; and
- (b) not, without the prior written consent of the Security Trustee, make any application for or implement any planning permission obtained or enter or agree to enter into any agreement under Section 106 of the Town and Country Planning Act 1990, Section 33 of the Local Government (Miscellaneous Provisions) Act 1982 or Section 38 of the Highways Act 1980 or any similar law.

#### 7.10 Investigation of title

The Chargor shall grant the Security Trustee or its solicitors on request all facilities within the power of the Chargor to enable the Security Trustee or its solicitors (at the expense of the Chargor) to:

- (a) carry out investigations of title in relation to its Real Property; and
- (b) make such enquiries in relation to any part of its Real Property as a prudent mortgagee might carry out.

#### 7.11 Compensation payments

Subject to the rights and claims of any person having prior rights to such compensation, all monies payable to the Chargor by way of compensation, whether under Section 25 of the Law of Property Act 1969 or under the Landlord and Tenant Acts 1927 to 1954 or otherwise, shall be paid to the Security Trustee (who shall be entitled to give good receipt for such monies) and applied in accordance with Clause 19 (Order of Application) as though they were the proceeds of the enforcement of the security constituted by this Deed, and any monies that may be received by the Chargor shall, pending such payment, be held on trust for the Security Trustee.

#### 7.12 Power to remedy

If the Chargor fails to comply with any of the undertakings contained in this Clause, the Chargor shall allow the Security Trustee or its agents and contractors:

- (a) to enter any part of its Real Property but subject always to the restrictions and conditions on access to any part of the Real Property imposed by any occupational lease;
- (b) to comply with or object to any notice served on the Chargor in respect of its Real Property; and
- (c) to take any action as the Security Trustee may consider necessary or desirable to prevent or remedy the relevant breach or to comply with or object to any such notice.

The Chargor shall immediately on request by the Security Trustee pay the reasonable costs and expenses of the Security Trustee and its agents and contractors incurred in connection with any action taken under this sub-clause.

### 8 Investments

#### 8.1 Investments - representations and warranties

The Chargor represents and warrants to each Beneficiary that:

- (a) its Initial Shares represent, as at the date of this Deed, the entire issued share capital of European Specialty Risks Limited, Société à responsabilité limitée A C J N and EISL Iberia Limited;
- (b) it is the sole legal and beneficial owner of the Shares;
- (c) its Shares are duly authorised, validly issued, fully paid, freely transferable and not subject to any option to purchase or any similar right;
- (d) the constitutional documents of the company(ies) whose Shares are subject to this Deed do not restrict or inhibit any transfer of the Shares on the creation or enforcement of the Security constituted, or expressed to be constituted, by this Deed; and
- (e) there are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any Shares.

#### 8.2 Deposit of title documents

The Chargor undertakes to deposit with the Security Trustee or the Security Trustee's nominee:

- (a) on or before execution of this Deed, all share certificates or other documents of title relating to the Initial Shares;
- (b) promptly upon its acquisition of any Investment or upon the withdrawal of any Investment from any Settlement System, all share certificates and other documents of title relating to that Investment; and



- (c) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Investments (including, but not limited to, any which accrue in respect of an Investment held in a Settlement System but which are received in a form that does not enable it to be credited to an account with that Settlement System), all share certificates and other documents of title representing each items,

together with stock transfer forms (or other appropriate transfer instruments) signed by the Chargor (or its nominee, where appropriate) as transferor but with details of the transferee, date and consideration left blank, on the basis that the Security Trustee may hold all those certificates, forms and documents until the Discharge Date. The Security Trustee is entitled at any time after an Event of Default has occurred and is continuing to complete the stock transfer forms (or other transfer instruments) on behalf of the Chargor in favour of the Security Trustee or its nominee, using the power of attorney contained in Clause 22 (Power of attorney).

### 8.3 CREST and other Settlement Systems

- (a) Transfer to escrow balance

The Chargor undertakes, in the case of any Investment held in a Settlement System to:

- (i) in the case of any Initial Share, immediately upon execution of this Deed; and
- (ii) in the case of any other Investment, immediately upon the acquisition of that Investment,

transfer (or procure the transfer by its nominee of) the relevant Investment from its (or its nominee's) account maintained with the relevant Settlement System to:

- (iii) in the case of CREST, the escrow balance of that account by sending a properly authenticated dematerialised "TTE" (transfer to escrow) instruction (as defined in the CREST Manual) to CREST nominating the Security Trustee or the Security Trustee's nominee as the escrow agent (as defined in the CREST Manual) in respect of that escrow balance; and
- (iv) in the case of any other Settlement System, to such account (if any) as is designated by the Security Trustee as being equivalent to the escrow balance maintained by CREST,

and further undertakes that, following that transfer, any further dealings with the relevant Investment may only be made with the Security Trustee's prior written consent.

- (b) Optional corporate action and outturn securities

The Chargor undertakes that:

- (i) where 'optional corporate action' (as defined in the CREST Manual) needs to be taken in respect of an Investment credited to the escrow balance of the Chargor's (or its nominee's) account(s) maintained with CREST, it will consult with the Security Trustee, which shall if necessary give a "TFE" (transfer from escrow) instruction (as defined in the CREST Manual) to CREST to transfer that Investment to the Available Balance of the relevant account; and
- (ii) where a "TFE" instruction has been given pursuant to paragraph (b)(i) above, immediately upon receipt of any "outturn securities" (as defined in the CREST Manual) give a "TTE" instruction (as defined in the CREST Manual) to CREST requesting that such outturn securities be transferred to the escrow balance of the relevant account,

and any Investments transferred to the Available Balance under paragraph (b)(i) above or any outturn securities transferred to the escrow balance under paragraph (b)(i) above shall, for so long as they are not credited to the escrow balance of the relevant account of the Chargor (or its nominee) with CREST, be held by or on behalf of the Chargor on trust for the Security Trustee.

(c) Transfer upon an Event of Default

Following an Event of Default which is continuing, the Chargor shall, if the Security Trustee so requests, transfer all Investments held in a Settlement System to an account in the name of the Security Trustee or its nominee in that Settlement System as designated by the Security Trustee.

(d) Record of Security

The Chargor undertakes, in the case of any Investments held in a Settlement System, to give all necessary instructions to or via that Settlement System to ensure that the Security constituted by this Deed is, as fully as possible, recognised and recorded by that Settlement System and undertakes promptly upon request by the Security Trustee to take all necessary action to dematerialise or rematerialise any Investments held in that Settlement System.

8.4 Voting and Dividends

(a) Voting and other rights prior to an Event of Default which is continuing

Prior to the occurrence of an Event of Default which is continuing:

subject to paragraph (ii) below, the Chargor is entitled to exercise or direct the exercise of the voting and other rights attached to any Investment as it sees fit provided that:

- (i) the exercise or failure to exercise those rights does not have an adverse effect on the value of the Investments and does not otherwise prejudice the Security Trustee's interests under this Deed; and
- (ii) the Chargor is entitled to receive all Dividends/ensure that all Dividends are deposited and held in an Account.

(b) Voting and other rights following an Event of Default which is continuing

If an Event of Default has occurred and is continuing:

- (i) the Security Trustee will be entitled to exercise or direct the exercise (or refrain from exercising or refrain from directing the exercise) of the voting and other rights attached to any Investment as it sees fit.
- (ii) the Chargor shall comply, or procure compliance with, any directions of the Security Trustee in relation to the exercise of those rights and shall promptly execute and deliver to the Security Trustee all forms of proxy as the Security Trustee may require in connection with the exercise of those rights;
- (iii) all Dividends shall be paid or transferred to the Security Trustee (or to its order) and any Dividends received by the Chargor shall be held by the Chargor on trust for the Security Trustee and immediately paid by it to the Security Trustee or to any nominee designated by the Security Trustee. The Security Trustee will be entitled to apply those Dividends in such manner as it sees fit; and
- (iv) where any Investments are held in a Settlement System, the Chargor shall give all necessary instructions to or via that Settlement System to ensure that

Dividends are paid or transferred to the Security Trustee, or its nominee, and that voting rights are exercisable by the Security Trustee in accordance with paragraphs (i) and (ii) above;

- (c) (i) the Security Trustee may, in its absolute discretion, and without any consent or authority from the Beneficiaries or the Chargor, by notice to the Chargor elect to give up the right to exercise (or refrain from exercising) all voting rights in respect of the Shares conferred or to be conferred on the Security Trustee pursuant to paragraph (b)(i) above and the Beneficiaries unconditionally waive any rights they may otherwise have to require the Security Trustee not to make such election or to indemnify, compensate or otherwise make them good as a consequence of such election;
- (ii) once a notice has been issued by the Security Trustee under paragraph (i) above, on and from the date of such notice, the Security Trustee shall cease to have the rights to exercise or refrain from exercising voting rights in respect of the Shares conferred or to be conferred on it pursuant to paragraph (b)(i) above or any other provision of this Deed and all such rights shall be exercisable by the Chargor. The Chargor shall be entitled on and from the date of such notice to exercise all voting rights in respect of the Shares subject only to the proviso contained in paragraph (a)(i) above.

#### 8.5 Nominee shareholders

If any Investment is not held in the Chargor's name (other than as a result of the operation of this Deed) the Chargor shall procure the prompt delivery to the Security Trustee of an irrevocable power of attorney, expressed to be given by way of security and executed as a deed, by the person in whose name that Investment is held. That power of attorney shall appoint the Security Trustee and every Receiver as the attorney of the holder in relation to that Investment and shall be in a form approved by the Security Trustee.

#### 8.6 Acquisition of Shares

The Chargor shall promptly notify the Security Trustee of:

- (a) its acquisition of, or agreement to acquire, any Shares; and
- (b) the declaration or payment of any Dividend.

#### 8.7 Circulars

The Chargor shall promptly deliver to the Security Trustee a copy of every circular, notice, report, set of accounts or other documents received by it or its nominee in connection with the Investments.

#### 8.8 Calls

The Chargor shall pay all calls and other payments due in relation to the Investments. If the Chargor fails to do so, the Security Trustee may pay those calls or other payments on the Chargor's behalf and the Chargor shall immediately on demand reimburse the Security Trustee for any such payment.

#### 8.9 Restrictions

The Chargor shall not vary or agree to any variation in voting rights attaching to the Shares and shall not cause or permit any of the Shares to be consolidated, sub-divided or converted without the Security Trustee's prior written consent.

## **9 Chattels**

### **Maintenance**

The Chargor shall:

- (a) keep all its Chattels in good repair, working order and condition;
- (b) give the Security Trustee such information concerning the location, condition, use and operation of its Chattels as the Security Trustee may require acting reasonably;
- (c) permit any persons designated by the Security Trustee to inspect and examine the Chattels and the records relating to the Chattels at all reasonable times and on reasonable notice; and
- (d) not permit any Chattels to be:
  - (i) used or handled other than by properly qualified and trained persons; or
  - (ii) to be overloaded or used for any purpose for which it is not designed or reasonably suitable.

## **10 Accounts**

### **10.1 Undertakings**

The Chargor shall:

- (a) except as regards any account maintained with the Security Trustee, deliver to the Security Trustee details of each Account maintained by it promptly upon the opening of a new Account or any redesignation or change in account details affecting any Account;
- (b) promptly upon request by the Security Trustee, supply the Security Trustee with copies of all mandate letters, bank statements and other agreements relating to the Accounts; and
- (c) not permit or agree to any variation of the terms and conditions relating to any Account or close any Accounts without the Security Trustee's prior written consent acting reasonably.

### **10.2 Operation of the Accounts**

- (a) Prior to the occurrence of an Event of Default which is continuing the Chargor shall, in the case of any Account, be entitled to withdraw or transfer any sum standing to the credit of such Account.
- (b) After the occurrence of an Event of Default which is continuing the Chargor shall not be entitled to make any withdrawals or transfers from any Account without the Security Trustees' prior written consent.

### **10.3 Notice to Account Banks**

On the date of this Deed the Chargor shall serve a notice of charge substantially in the form of Part 1 of Schedule 5 (Form of Notice to Account Bank) on each Account Bank with whom an Account is held and use all reasonable endeavours to procure that each Account Bank acknowledges that notice by signing and returning to the Security Trustee a letter of acknowledgement substantially in the form of Part 2 of Schedule 5 (Form of Acknowledgement from Account Bank) within 21 days of the date of such notice. Any instructions contained in a notice of charge sent by the Chargor pursuant to this Clause may not be revoked or amended without the Security Trustee's prior written consent. The execution of this Deed by the Parties constitutes notice on the same terms as those set out in Part 1 of Schedule 5 (Form of Notice to

Account Bank) by the Chargor to the Security Trustee of the charge created by this Deed over any Account held by the Chargor with the Security Trustee.

10.4 Time deposits

If the balance of any Account constitutes a time deposit then, subject to any contrary instructions from the Security Trustee, that time deposit shall be successively redeposited for such periods and on such terms as may from time to time be agreed between the Security Trustee and the Chargor in writing (failing which agreement, for such periods and on such terms as the Security Trustee may in its discretion decide).

**11 Monetary Claims**

11.1 Collecting Monetary Claims

The Chargor shall promptly get in and realise all Monetary Claims and pay the proceeds of such Monetary Claims as the Security Trustee may otherwise direct in writing and pending that payment will hold those proceeds on trust for the Security Trustee.

11.2 Dealing with Monetary Claims

The Chargor shall not, without the prior written consent of the Security Trustee, assign, factor, discount, release, waive, compound or otherwise deal with any of the Monetary Claims or vary any term relating to a Monetary Claim other than as permitted by the terms of the Transaction Documents.

11.3 Assignment

The Chargor shall, at the Security Trustee's reasonable request, execute a legal assignment of its Monetary Claims in favour of the Security Trustee on such terms as the Security Trustee may agree, acting reasonably, and will sign and deliver written notice of that assignment, in a form acceptable to the Security Trustee, to each debtor which owes or may owe a Monetary Claim and will use all reasonable endeavours to procure that the notice is duly acknowledged by the debtors concerned in accordance with the terms of that assignment.

**12 Contracts**

12.1 Contracts - representations and warranties

The Chargor represents and warrants to each Beneficiary that:

- (a) each Contract is in full force and effect and constitutes its legal, valid, binding and enforceable obligations;
- (b) its execution and performance of the Contracts does not conflict with any law or regulation applicable to it, its constitutional documents or any agreement or instrument binding on it or constitute a default or termination event (however described) under any such agreement or instrument;
- (c) it is not in default, nor, so far as it is aware, is any counterparty to a Contract in default, under any Contract;
- (d) all payments due to it from any party under the Contracts can be made without withholding or deduction on account of any tax;
- (e) all payments to it by any other party to any of the Contracts are not subject to any right of set-off or similar right; and
- (f) there is no prohibition on assignment in any of the Contracts.

## 12.2 Notices of assignment

The Chargor shall immediately upon execution of this Deed (or, if later, the date upon a document being designated as a Contract for the purposes of this Deed) serve a notice, substantially in the form of Part 1 of Schedule 7 (Form of Notice to Counterparty), on each counterparty to each Contract and use all reasonable endeavours to procure that each such counterparty acknowledges that notice by signing and returning to the Security Trustee a notice substantially in the form of Part 2 of Schedule 7 (Form of Acknowledgement from Counterparty) within 21 days of the date of this Deed or, if later, the date of the relevant Contract. Any instructions contained in a notice sent to a counterparty pursuant to this Clause may not be revoked or amended without the Security Trustee's prior written consent.

## 12.3 Undertaking

- (a) The Chargor may not, unless permitted by a Transaction Document or otherwise, without the prior written consent of the Security Trustee acting reasonably:
  - (i) amend, supplement or waive or agree to the amendment, supplement or waiver of any term of any Contract in any way that would adversely affect or could be reasonably expected to adversely affect any Security Provider's interests under such Contract or terminate any Contract or allow such Contract to lapse (other than where a Contract expires in accordance with its terms and not by reason of default) and shall not do or permit anything to be done which may impair the enforceability of any term of any such Contract;
  - (ii) take any action which might jeopardise the existence or enforceability of any Contract to which it is a party.
- (b) The Chargor shall:
  - (i) promptly perform all its obligations under each Contract;
  - (ii) diligently enforce its rights under each Contract;
  - (iii) inform the Security Trustee promptly if it serves any notice of default, or commences any legal proceeding, or receives any notice of default or of the initiation of any legal proceeding in relation to any Contract;
  - (iv) supply the Security Trustee with (a) a copy of each Contract, certified as being true and correct by a director of it and (b) any other information and copies of any other documents relating to the Contracts which the Security Trustee, or any Receiver, requests, acting reasonably.

## 12.4 Obligations

Notwithstanding the operation of Clause 4.7 (Contracts), the Chargor is and shall remain liable under any Contract to perform all its obligations under that Contract and the Security Trustee shall not be, or be deemed to be, under any obligation or liability under or in connection with such Contract by reason of this Deed or the exercise by the Security Trustee of any rights, powers or remedies under this Deed.

# 13 Insurances

## 13.1 Insurances - representations and warranties

The Chargor represents and warrants to each Beneficiary that:

- (a) each Policy is in full force and effect and on risk, all premiums payable in relation to the Policies have been paid when due and, so far as it is aware, there are no grounds on which any Policy may be declared void or voidable in whole or in part; and
- (b) its entry into the Policies does not conflict with any law or regulation applicable to it, its constitutional documents or any agreement or instrument binding on it.

#### 13.2 Notices of assignment

The Chargor shall immediately upon execution of this Deed (or, if later, the date on which an insurance policy is designated as a "Policy" for the purposes of this Deed) serve a notice, substantially in the form of Part 1 of Schedule 9 (Form of Notice to Insurer), on each other party to each Policy and use all reasonable endeavours to procure that each such party acknowledges that notice by signing and returning to the Security Trustee a letter of undertaking substantially in the form of Part 2 of Schedule 9 (Form of Acknowledgement from Insurer) within 21 days of the date of this Deed or, if later, the date of entry into of the relevant Policy. Any instructions contained in any notice sent by the Chargor pursuant to this Clause may not be revoked or amended without the Security Trustee's prior written consent.

#### 13.3 Preservation and enforcement of rights

The Chargor shall:

- (a) perform all its obligations, pay all premiums and other monies payable and diligently enforce all its rights under the Policies and take all action necessary to keep the Policies in full force and effect and otherwise preserve its rights under the Policies (including by way of legal or arbitration proceedings);
- (b) inform the Security Trustee immediately if it commences any legal proceeding, or receives notice of the initiation of any legal proceeding, in relation to any Policy or if it becomes aware of any Policy becoming void or voidable in whole or in part;
- (c) supply the Security Trustee with (i) a copy of each Policy and of each certificate of insurance and cover note relating to each Policy, certified as being true and correct copies by a director of the Chargor; and (ii) any other information and copies of any other documents relating to the Policies which the Security Trustee, or any Receiver, reasonably requests; and
- (d) if required by the Security Trustee following the occurrence of an Event of Default which is continuing use its best efforts to cause each insurance policy or policies relating to the Collateral other than any Policy which has been the subject of a notice of assignment pursuant to Clause 13.2 (Notices of assignment) to contain (in form and substance reasonably satisfactory to the Security Trustee) an endorsement naming the Security Trustee as sole loss payee in respect of all claims.

#### 13.4 Amendments and waivers

The Chargor shall not, without the Security Trustee's prior written consent, amend, supplement or waive or agree to the amendment, supplement or waiver of any term of any Policy in any way that would adversely affect or could be reasonably expected to adversely affect any Security Provider's interests under such Policy or terminate any Policy or allow any Policy to lapse (other than where a Policy expires in accordance with its terms and not by reason of default).

#### 13.5 Insurance proceeds held on trust

All monies received under any Policies relating to the Collateral shall (subject to the rights and claims of any person having prior rights to such monies), prior to the occurrence of an Event of Default which is continuing, be applied in a manner as permitted by the Transaction Documents

and, after the occurrence of an Event of Default (which is continuing), be held by the Chargor upon trust for the Security Trustee pending payment to the Security Trustee for application in accordance with Clause 19 (Order of Application) and the Chargor waives any right it may have to require that any such monies are applied in reinstatement of any part of the Collateral.

## **14 Intellectual Property**

### **14.1 Intellectual Property - representations and warranties**

The Chargor represents and warrants to each Beneficiary that it:

- (a) is the sole legal and beneficial owner of or has licensed to it all of the Intellectual Property which is required by it in order to carry on its business as it is being conducted and has taken all formal and procedural actions (including but not limited to payment of fees) required to maintain such Intellectual Property; and
- (b) does not, in carrying on its business, infringe any Intellectual Property of any third party in any material respect.

### **14.2 Intellectual Property – positive undertakings**

The Chargor shall:

- (a) do all such acts and things as are necessary or desirable to preserve and maintain the existence and validity of its Material Intellectual Property;
- (b) use all reasonable endeavours to prevent any theft, loss, destructions, infringement, unauthorised access, copying and use of its Material Intellectual Property and promptly after becoming aware of any such action, inform the Security Trustee of such action and (at its own cost and without prejudice to any other steps it may consider appropriate in the circumstances) take such steps as the Security Trustee may from time to time direct acting reasonably;
- (c) make registrations and pay all registration fees and taxes necessary to maintain its Material Intellectual Property in full force and effect and record its interest in that Intellectual Property and produce to the Security Trustee on demand receipts or other evidence that the same have been paid;
- (d) not use or permit its Material Intellectual Property to be used in a way or take any step or omit to take any step in respect of its Intellectual Property which may materially and adversely affect the existence or value of the Material Intellectual Property or impair its right to use such property; and
- (e) not discontinue the use of the Material Intellectual Property.

### **14.3 Intellectual Property – negative undertakings**

The Chargor shall not, without the consent of the Security Trustee:

- (a) abandon, cancel or allow any of its Intellectual Property to become void, lapse or to become vulnerable to attack, whether for non-use or otherwise;
- (b) apply to amend the specification or drawing of any of the letters patent or registered trade or service marks forming part of its Intellectual Property or enter any conditions, restrictions or disclaimers in relation to any of its registered Intellectual Property; or
- (c) use or knowingly permit to be used any of its Intellectual Property in a way (or otherwise do or refrain from doing anything) which may have a material adverse effect on the value of its Intellectual Property.



14.4 Preservation/protection

The Chargor must promptly, if requested to do so by the Security Trustee acting reasonably, sign or procure the signature of, and comply with all instructions of the Security Trustee in respect of, any document required to make entries in any public register of Intellectual Property (including the United Kingdom Trade Marks Register) which either record the existence of this Deed or the restrictions imposed by this Deed.

**15 Enforcement of Security**

15.1 Timing

The Security created by this Deed will be immediately enforceable at any time after the occurrence of:

- (a) an Event of Default which is continuing; or
- (b) a request being made by the Chargor to the Security Trustee that it exercise any of its powers under this Deed.

15.2 Enforcement

After this Security has become enforceable, the Security Trustee may, subject to the consent of the Financial Conduct Authority or other appropriate regulatory body, where applicable, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- (a) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Collateral;
- (b) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorisations and discretions conferred by the LPA (as varied and extended by this Deed) on mortgagees, by this Deed on any Receiver, or conferred by the Insolvency Act 1986 or any other law on mortgagees and Receivers;
- (c) exercise all its rights, powers and remedies as assignee of the Accounts and, in particular, the right to:
  - (i) demand and receive any interest or other monies payable in respect of any credit balance on any Account; and
  - (ii) withdraw sums standing to the credit of any Account (or, by notice to the bank with whom such Account is maintained, block the withdrawal of any such sums) and otherwise exercise all rights in relation to each of the Chargor's Accounts as the Chargor may exercise (or, but for this Deed) might exercise; and
- (d) apply, transfer or set-off any or all of the balances from time to time standing to the credit of the Accounts in or towards the payment or other satisfaction of all or part of the Secured Money then due but unpaid in accordance with Clause 19 (Order of Application).

15.3 Effect of a moratorium

The Security Trustee shall not be entitled to exercise its rights under Clause 15.2 to the extent that such exercise would be contrary to the provisions of paragraph 13 of Schedule A1 of the Insolvency Act 1986.

15.4 Statutory powers

- (a) The statutory power of sale or other right of disposal conferred on the Security Trustee and on any Receiver by this Deed shall operate as a variation and extension of the

statutory power of sale under section 101 of the LPA and such power shall arise (and the Secured Money shall be deemed due and payable for that purpose) on execution of this Deed and will be exercisable at any time after this Deed becomes enforceable.

- (b)
  - (i) The statutory powers of leasing may be exercised by the Security Trustee at any time on or after this Deed has become enforceable and such powers are extended by this Deed so as to authorise the Security Trustee to lease, make agreements for lease, accept surrenders of leases and grant options on such terms as the Security Trustee may think fit and without the need to comply with any restrictions imposed by law (including, but not limited to, under section 99 or section 100 of the LPA).
  - (ii) For the purposes of sections 99 and 100 of the LPA, the expression "Mortgagor" will include any incumbrancer deriving title under the Chargor and neither sub-section (18) of section 99 nor sub-section (12) of section 100 of the LPA will apply.
  - (iii) The Chargor shall have, at any time up until the Discharge Date, the power pursuant to section 99 of the LPA to make any Lease in respect of any Real Property without the prior written consent of the Security Trustee unless permitted pursuant to the terms of any Transaction Document.
- (c) The restrictions contained in section 93 and section 103 of the LPA shall not apply to this Deed, to the exercise by the Security Trustee of its right to consolidate all or any of the Security created by or pursuant to this Deed with any other Security in existence at any time or its power of sale and such powers of consolidation or sale are exercisable by the Security Trustee, without notice to the Chargor, on or at any time after this Deed has become enforceable as herein provided.

## **16 Receiver**

### **16.1 Appointment of Receiver**

- (a) After this Deed has become enforceable the Security Trustee may without prior notice, appoint:
  - (i) any one or more persons to be a Receiver of all or any part of the Collateral; or
  - (ii) two or more Receivers of separate parts of the Collateral; or
  - (iii) appoint another person(s) as an additional Receiver(s).
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA) does not apply to this Deed.
- (d) The Security Trustee may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Collateral if the Security Trustee is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

### **16.2 Statutory powers of appointment**

The powers of appointment of a Receiver pursuant to Clause 16.1 shall be in addition to all statutory and other powers of appointment of the Security Trustee under the LPA (as extended by this Deed) or otherwise and such powers shall remain exercisable from time to time by the Security Trustee in respect of any part of the Collateral.

### 16.3 Removal

The Security Trustee may from time to time by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver who has been removed for any reason.

### 16.4 Remuneration

The Security Trustee may from time to time fix the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) of the LPA) will not apply.

### 16.5 Agent of the Chargor

- (a) A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA. The Chargor is solely responsible for the remuneration, expenses, contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver other than defaults arising as a consequence of the gross negligence or wilful default of such Receiver.
- (b) Neither the Security Trustee nor any Beneficiary will incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.
- (c) No Receiver shall at any time act as agent for the Security Trustee.

## 17 Powers of Receiver

### 17.1 Statutory powers

- (a) A Receiver (subject to any restrictions in the instrument appointing him but notwithstanding any winding up or dissolution of the Chargor) has (to the extent permitted by law) all of the rights, powers and discretions conferred on:
  - (i) an administrative receiver under Schedule 1 of the Insolvency Act 1986, as if such Schedule and all relevant definitions set out in the Insolvency Act 1986 were set out in this Deed; and
  - (ii) otherwise, all the rights, powers and discretions conferred on a mortgagor, a mortgagee in possession and on a Receiver (or a receiver and manager) appointed under the LPA.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually (and to the exclusion of any other Receiver) or together with any other person appointed or substituted as a Receiver.

### 17.2 Additional powers

In addition to those powers, rights and discretions set out in Clause 17.1(a)(i) and (ii) above, a Receiver shall have the following rights, powers and discretions:

- (a) Employees
  - (i) A Receiver may appoint and discharge managers, directors and secretaries for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.

- (ii) A Receiver may discharge any person appointed by the Chargor.
- (b) Sale of assets
  - (i) The consideration for the sale of any Collateral may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which the Receiver thinks fit.
  - (ii) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.
- (c) Mediation
 

A Receiver may refer to mediation any question in relation to any Collateral that he thinks fit.
- (d) Delegation
 

A Receiver may delegate his power in accordance with this Deed.
- (e) Lending
 

A Receiver may lend money or advance credit to any customer of the Chargor.
- (f) Protection of assets
 

A Receiver may:

  - (i) effect any repair or improvement of any Collateral; and
  - (ii) apply for and maintain any planning permission, building regulation, approval or any other authorisation,

in each case as he thinks fit.
- (g) Other powers
 

A Receiver may:

  - (i) do all other acts and things which he may consider desirable or necessary for realising any Collateral or incidental or conducive to any of the rights, powers, remedies or discretions conferred on the Security Trustee or any Receiver under or by virtue of this Deed or by law;
  - (ii) exercise in relation to any Collateral all the powers, authorities and things which he would be capable of exercising if he were the absolute owner of that Collateral; and
  - (iii) use the name of the Chargor for any of the purposes set out in this Clause 17.

## **18 Appointment of Administrator**

- (a) Subject to the Insolvency Act 1986, at any time after the Security created by this Deed has become enforceable in accordance with Clause 15.2 (Enforcement), the Security Trustee may appoint one or more qualified persons to be an Administrator of the Chargor, to act individually (and to the exclusion of any other Administrator) or together with any other Administrators so appointed or substituted.
- (b) For the purposes of this sub-clause, a "qualified person" is a person qualified to act as an Administrator under the Insolvency Act 1986.

## **19 Order of Application**

Application of proceeds

Unless otherwise determined by the Security Trustee or a Receiver, all amounts received or recovered by the Security Trustee or any Receiver in exercise of their rights under this Deed will, subject to the rights of any creditors having priority, be applied in accordance with the Security Trust Deed.

## **20 Protection of Purchasers**

- (a) No purchaser or other person dealing with the Security Trustee or a Receiver shall be bound to enquire:
  - (i) whether the Secured Money have become payable;
  - (ii) whether any power which the Security Trustee or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
  - (iii) whether any money remains due under the Transaction Documents; or
  - (iv) how any money paid to the Security Trustee or to that Receiver is to be applied.
- (b) The receipt of the Security Trustee or any Receiver shall be conclusive discharge to any purchaser and, in making any sale or disposal of any of the Collateral or making any acquisition, the Security Trustee or any Receiver may do for such consideration, in such manner and on such terms as it thinks fit.

## **21 Liability of the Security Trustee**

21.1 The Security Trustee enters into this Deed as trustee of the Security Trust and each party to this Deed agrees that:

- (a) the obligations of the Security Trustee under this Deed are subject to the terms of the Security Trust Deed; and
- (b) without limiting paragraph (a), clause 2.1 (Limitation of liability), clause 2.2 (Exoneration), clause 2.4 (No action against the Security Trustee personally), clause 2.5 (Exception) and clause 2.6 (Other parties), clause 2.7 (Extent of exceptions) and clause 2.8 (Liabilities must be limited and must be indemnified) of the Security Trust Deed apply to this Deed as if set out *mutatis mutandis* in this Deed with any necessary amendments to clause references.

21.2 For the avoidance of doubt, section 1 of the Trustee Act 2000 shall not apply to any function of the Security Trustee in relation to the trust constituted under this Deed, provided that if the Security Trustee fails to show the degree of care and diligence required of it as trustee (having regard to the provisions hereof), nothing in this Deed shall relieve or indemnify it from or against any liability which would otherwise attach to it in respect of any gross negligence, wilful default, or fraud of which it may be guilty in relation to its duties hereunder.

## **22 Power of attorney**

- (a) The Chargor, by way of security for the performance of its obligations under this Deed, irrevocably and severally appoints the Security Trustee, each Receiver and each of their respective Delegates and sub delegates to be its attorney (with full power of substitution and delegation) and in its name, on its behalf and as its act and deed to:
  - (i) execute, deliver and perfect a Legal Mortgage over any Real Property not already the subject of a registrable Legal Mortgage;

- (ii) execute, deliver and perfect all other documents, deeds and agreements and do all such things which the attorney may consider to be required or desirable for:
  - (A) following an Event of Default which is continuing and the failure by the Chargor to comply with the relevant obligation, carrying out any obligation imposed on the Chargor by this Deed or any agreement binding on the Chargor to which the Security Trustee is a party (including, but not limited to, the execution and delivery of any charges, assignments or other security and any transfers of the Collateral and perfecting and/or releasing the Security created or intended to be created in respect of the Collateral); and
  - (B) following an Event of Default which is continuing enabling the Security Trustee and any Receiver to exercise any of the rights, powers and authorities conferred on them pursuant to this Deed or by law (including, after the Security constituted by this Deed has become enforceable as provided in this Deed, the exercise of any right of a legal or beneficial owner of the Collateral or any part of the Collateral).
- (b) The Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.
- (c) The Chargor covenants (for the purpose of the irrevocable nature of the power of attorney granted in this Clause) with each Receiver appointed under this Deed, to join in and concur with the exercise by such Receiver of any powers of such Receiver to act on behalf of the Chargor.

## **23 Delegation and Discretion**

### **23.1 Delegation**

- (a) Save as expressly stated in the Transaction Documents, the Security Trustee and/or any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are conferred and are exercisable by it under this Deed to any person or persons on such terms and conditions as it sees fit.
- (b) No such delegation pursuant to this Clause shall preclude either the subsequent exercise of such power, authority or discretion by the Security Trustee or a Receiver itself or any subsequent delegation or revocation of such power, authority or discretion.
- (c) Neither the Security Trustee nor any Receiver will have any liability to the Chargor or any other person for any loss or liability arising from any act, default, omission or misconduct by the Delegate.

### **23.2 Discretion**

Any right or power which may be exercised or any determination which may be made under this Deed by the Security Trustee or any Receiver may be exercised by it in its absolute and unfettered discretion, without any obligation to give reasons.

## **24 Effectiveness of Security**

### **24.1 Continuing Security**

Subject to Clause 28 (Release of Security), the Security constituted by this Deed shall remain in full force and effect as continuing security for the Secured Money until the Discharge Date and

shall not be released before then by any intermediate payment, discharge or satisfaction of all or any of the Secured Money or for any other reason.

#### 24.2 Cumulative rights

The Security created by or pursuant to this Deed and the rights, powers and remedies of the Security Trustee under this Deed shall be cumulative and shall be in addition to and independent of every other Security, right, power or remedy which the Security Trustee or any Beneficiary may at any time have in connection with the Secured Money, including all rights, powers and remedies provided by law, and accordingly, the Security Trustee shall not be obliged before exercising any such rights, powers or remedies:

- (a) to make any demand of, or take any action or obtain any judgment in any court against, the Chargor;
- (b) to make or file any claim or proof in winding-up or dissolution of the Chargor; or
- (c) to enforce or seek to enforce any other Security held by it in respect of the Secured Money.

#### 24.3 No merger of Security

No prior Security held by the Security Trustee (whether in its capacity as trustee or otherwise) or any other Beneficiary over the whole or any other part of the Collateral shall merge into the Security constituted by this Deed.

#### 24.4 No prejudice

The Security created by or pursuant to this Deed shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person, or the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Beneficiaries or by any variation of the terms of the trust upon which the Security Trustee holds the Security created by or pursuant to this Deed or by any other thing which might otherwise prejudice that Security.

#### 24.5 Remedies and waivers

- (a) No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any rights or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise of any right or remedy.
- (b) No election to affirm this Deed on the part of the Security Trustee shall be effective unless in writing.

#### 24.6 Partial invalidity

- (a) If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.
- (b) If any part of the Security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security constituted under this Deed.

#### 24.7 Waiver of defences

Neither the obligations of the Chargor under this Deed nor the Security constituted by this Deed will be affected by any act, omission, matter or thing which, but for this Clause, would reduce,

release or prejudice any of its obligations under this Deed or release or prejudice any of that security (without limitation and whether or not known to the Chargor or any Beneficiary) including:

- (a) any time, waiver or consent granted or agreed to be granted to, or composition with, the Chargor or any other person;
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor or the Chargor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or Security over assets of, the Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- (e) any amendment, novation, supplement, extension (whether at maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not onerous) or replacement of a Transaction Document or any other document or Security or of the Secured Money (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Transaction Document or other documents);
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Document or any other document or security or of the Secured Money; or
- (g) any insolvency or similar proceedings relating to the Chargor or any other person.

#### 24.8 Immediate recourse

The Chargor waives any right it may have of first requiring the Security Trustee or any other Beneficiary (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 the Chargor under this Deed. This waiver applies irrespective of any law or provision of this Deed to the contrary.

#### 24.9 Appropriations

Until the occurrence of the Discharge Date, any Beneficiary (or any trustee or agent on its behalf) may refrain from applying or enforcing any other monies, Security or rights held or received by it in relation to the Secured Money, or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Money, or otherwise) and hold in an interest bearing suspense account any money received from the Chargor on account of the Secured Money.

#### 24.10 Non-competition

Until the occurrence of the Discharge Date or unless the prior written consent of the Security Trustee is obtained, the Chargor shall exercise any rights which it may have by reason of performance by it of its obligations under this Deed:

- (a) to be indemnified by any person, including the Chargor;
- (b) to claim any contribution from any other provider of Security or any guarantor of the Secured Money;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any of the Beneficiary's rights under the Transaction Documents or of any other



guarantee, indemnity or Security taken pursuant to, or in connection with, the Secured Money by any Beneficiary;

- (d) to bring legal or other proceedings for an order requiring the Chargor to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, undertaking or indemnity under any Transaction Document; and/or
- (e) to exercise any right of set-off against the Chargor.

If the Chargor receives any benefit, payment or distribution contrary to the terms of this Clause, it shall hold that benefit, payment or distribution (to the extent necessary to enable all amounts which may be or become payable to the Security Trustee in connection with the Secured Money to be repaid in full) on trust for the Security Trustee and shall promptly pay or transfer the same to the Security Trustee or to the Security Trustee's nominee.

#### 24.11 Tacking

- (a) For the purposes of section 94(1)(c) of the LPA and section 49(3) of the Land Registration Act 2002, the Security Trustee confirms on behalf of the Beneficiaries that the Beneficiaries will comply with their obligations to make any further advances under the Transaction Documents (subject to the terms of these documents).
- (b) The Chargor consents to an application being made to the Land Registry to enter the obligation to make further advances on the charges register of any registered land forming part of the Property.

#### 24.12 Further assurance

- (a) The Chargor shall promptly, at its own cost, enter into, execute and complete a Legal Mortgage over any Real Property in England and Wales not already the subject of a registrable Legal Mortgage.
- (b) The Chargor shall promptly, at its own cost, do whatever the Security Trustee requires:
  - (i) to create, perfect and/or protect the Security created or intended be created by this Deed;
  - (ii) to create, perfect and/or protect the priority of the Security created or intended be created by this Deed;
  - (iii) to facilitate the exercise of any rights, powers and remedies vested in the Security Trustee or any Receiver (or their respective Delegates) by this Deed and/or by the law; and/or
  - (iv) to facilitate the realisation of the Collateral.
- (c) In order to satisfy its obligations under sub-clauses (a) and (b) above, the Chargor shall immediately, upon the request of the Security Trustee, execute any transfer, conveyance, mortgage, charge, assignment or assurance over all or any of the assets constituting, or intended to constitute, the Collateral (whether in favour of the Security Trustee or its nominee or otherwise) and make any registration or notarisation and give any notice, instructions, order or direction in respect of the Collateral.

#### 25 Prior Security Interests

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Collateral or in case of exercise by the Security Trustee or any Receiver of any power of sale under this

Deed, the Security Trustee may redeem such prior Security or procure the transfer of such Security to itself.

- (b) The Security Trustee may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Chargor.
- (c) All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Security Trustee on demand together with accrued interest on such sums as well as before judgement at the rate from time to time applicable to unpaid sums specified in any Transaction Document from the time or respective times of the same having been paid or incurred until payment of such sums (as well as after as before judgment).

## **26 Subsequent Security Interests**

If the Security Trustee acting in its capacity as trustee or otherwise or any of the other Beneficiaries at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting the Collateral or any part of the Collateral which is prohibited by the terms of any Transaction Document, all payments made by or on behalf of the Chargor to the Security Trustee or any of the other Beneficiaries after such receipt of notice will (in the absence of any express contrary appropriation by the Chargor) be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Money at the time that notice was received.

## **27 Suspense Account**

All monies received, recovered or realised by the Security Trustee under this Deed (including the proceeds of any conversion of currency) may in the discretion of the Security Trustee be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society or financial institution (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Security Trustee's discretion, in or towards the discharge of any of the Secured Money.

## **28 Release of Security**

Upon the occurrence of the Discharge Date, the Security Trustee shall, at the request and cost of the Chargor, release and cancel the security constituted by this Deed and procure the reassignment to the Chargor of the property and assets assigned to the Security Trustee pursuant to this Deed, in each case without recourse to, or any representation or warranty by, Security Trustee or any of its Delegates.

## **29 Set-Off**

The Security Trustee may set-off any matured obligation due from the Chargor under this Deed (to the extent beneficially owned by the Security Trustee) against any matured obligation owed by the Security Trustee to the Chargor, 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.

## **30 Financial collateral and regulatory compliance**

### **30.1 Financial collateral**

- (a) To the extent that any of the Collateral constitute "financial collateral" and this Deed constitutes a "security financial collateral arrangement" (as those terms are defined in the Regulations), the Security Trustee shall, upon the Security created by this Deed becoming enforceable and to the extent permitted by the Regulations, have the right to

appropriate all or any part of those Collateral in or towards the discharge of the Secured Money without obtaining any court authorisation and in such order as the Security Trustee may in its absolute discretion determine.

- (b) The Parties agree that the value of any Collateral appropriated in accordance with sub-clause (a) above shall be:
  - (i) in the case of cash denominated in the currency of denomination of the Secured Money, the amount of such cash plus any accrued but unposted interest attributable to such cash on the date of appropriation;
  - (ii) in the case of any other cash, the amount of the currency of denomination of the Secured Money that the Security Trustee could purchase with the amount of such cash (plus any accrued but unposted interest attributable to such cash) on the date of appropriation at its spot rate of exchange for such purchase in the London foreign market at or about 11:00 a.m. on that date; or
  - (iii) in the case of Shares, shall be the price of those Shares at the time the right of appropriation is exercised as listed on any recognised market index, independent valuation or as determined by such other method as the Security Trustee may select.
- (c) The Parties agree that the method of valuation provided for in this Clause 30 is commercially reasonable for the purposes of the Regulations.

#### 30.2 Regulatory compliance

Each party to this Deed undertakes to cooperate with each other in order to comply with any guidance or requirement issued by the UK Financial Conduct Authority after the date of this Deed in relation to the application or segregation of the proceeds of any enforcement in relation to the Collateral which the Chargor is required to implement in order for the Chargor to meet its capital resource requirements under MIPRU 4.2.11 R of the MIPRU sourcebook of the UK Financial Conduct Authority's Handbook of Rules and Guidance from time to time and COND 2.4 of the COND sourcebook of the UK Financial Conduct Authority's Handbook of Rules and Guidance from time to time.

### 31 Currency

#### 31.1 Relevant Currency

The Chargor is obliged under this Deed to discharge the Secured Money in the Relevant Currency.

#### 31.2 Receipt in wrong currency

If at any time the Security Trustee receives a payment (including by set-off) referable to any of the Secured Money from any source in a currency other than the Relevant Currency, then:

- (a) that payment will take effect as a payment to the Security Trustee of the amount in the Relevant Currency which the Security Trustee is able to purchase (after deduction of any relevant costs) with the amount of the payment so received at its spot rate of exchange for such purchase in the London foreign exchange market at or about 11:00 a.m. on that date; and
- (b) if such payment is treated pursuant to paragraph (a) above as a payment of an amount which falls short of the relevant liability of the Chargor expressed in the Relevant Currency, the Chargor as a separate and independent obligation will on demand from time to time indemnify the Security Trustee against such shortfall.

## **32 Payments to be made without Deduction**

### **32.1 No deductions**

All sums payable by the Chargor under this Deed shall be paid in the Relevant Currency in immediately available funds and shall be paid to the credit of such account as the Security Trustee may designate. All such payments shall be made in full without set-off of any sum owing by the Security Trustee to the Chargor or counterclaim and free and clear of any deductions of or withholding for or on account of any tax or for any other reason, except to the extent that any such deduction or withholding is required by law.

### **32.2 Grossing-up**

If at any time the Chargor is required by law to make any deduction or withholding from any payment due from the Chargor to the Security Trustee, the Chargor shall simultaneously pay to the Security Trustee whatever additional amount is necessary to ensure that the Security Trustee receives a net sum equal to the payment it would have received had no deduction or withholding been made.

## **33 Certificates and determinations**

A certificate or determination by the Security Trustee or a Receiver of a rate or an amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

## **34 Assignment and Transfer**

### **34.1 Chargor's consent to assignment/transfer by Security Trustee**

The Chargor consents to the assignment and/or transfer by the Security Trustee of any one or more of its rights and/or obligations under this Deed.

### **34.2 No assignment/transfer by Chargor**

The Chargor may not assign or transfer any one or more of its rights and/or obligations under this Deed.

### **34.3 Confidentiality**

The Security Trustee shall be entitled to disclose such information concerning the Chargor and this Deed as it considers appropriate to:

- (a) any person proposing to take an assignment and/or transfer from the Security Trustee;
- (b) any person proposing to enter into contractual relations with the Security Trustee with respect to this Deed; and
- (c) any person to whom information may be required to be disclosed by an applicable law.

## **35 Indemnity to the Security Trustee**

### **35.1 The Chargor shall promptly indemnify the Security Trustee and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:**

- (a) the taking, holding, protection or enforcement of the Security constituted under this Deed;
- (b) the exercise of any of the rights, powers, discretions and remedies vested in the Security Trustee, each Receiver and their Delegate and sub-delegates by this Deed or by law; or
- (c) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed.

35.2 The Security Trustee may, in priority to any payment to the Beneficiaries, indemnify itself out of the Collateral in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 35 and shall have a lien on the Security constituted under this Deed and the proceeds of the enforcement of such Security for all monies payable to it.

35.3 For the avoidance of doubt, any indemnity, reimbursement or similar obligation in this Deed given by the Chargor:

- (a) is a continuing obligation despite any intervening payment, settlement or other thing;
- (b) is independent of the Chargor's other obligations under this Deed; and
- (c) survives the termination or discharge of this Deed and the discharge of financial accommodation.

### **36 Costs and expenses**

Enforcement and preservation costs

The Chargor shall, within three Business Days of demand, pay to the Security Trustee the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under this Deed and any proceedings instituted by or against the Security Trustee as a consequence of taking or holding the Security constituted by this Deed or enforcing these rights.

### **37 Miscellaneous**

#### **37.1 Variations**

No variation of the terms of this Deed shall be valid unless such variation is in writing and signed by the Chargor and the Security Trustee.

#### **37.2 Third party rights**

A person who is not a Party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

#### **37.3 Perpetuity period**

The trusts created by this Deed have a perpetuity period of 125 years.

#### **37.4 Counterparts**

This Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

### **38 Notices**

Any notice to be provided or communication to be made under or in connection with this Deed shall be made in accordance with clause 13 (Notices and other communications) of the Security Trust Deed.

### **39 Governing Law and Jurisdiction**

#### **39.1 Governing law**

This Deed and any non-contractual obligation arising out of or in connection with it are governed by and shall be construed in accordance with English law.

#### **39.2 Jurisdiction of English courts**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or

termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").

- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 39.2 is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

**39.3 Enforcement of judgment**

A judgment in any proceedings against any party to this Deed in any court referred to in this Clause 39 will be conclusive and binding upon the Chargor and may be enforced in the courts of any other jurisdiction.

**This Deed is executed as a deed by the Chargor and is signed for and on behalf of the Security Trustee and is delivered and takes effect on the date at the beginning of this Deed.**

SCHEDULE 1

**Mortgaged Property**

County and District/ London Borough	Description of Property	Title Number
Kent	Lease Agreement for 1 <sup>st</sup> Floor Offices, Calverley House, Calverley Road, Tunbridge Wells, Kent TN1 2TU between (1) Solutions Business Place Ltd and (2) European Insurance Services Limited dated 17 January 2011	Unregistered Land

## SCHEDULE 2

### Form of Legal Mortgage

THIS DEED is dated [ ] between:

- (1) European Insurance Services Limited registered in England and Wales with company number 07550811 (the "**Chargor**"); and
- (2) Permanent Custodians Limited in its capacity as trustee of CBL Corporation Security Trust, whose office is at Level 2, 35 Clarence Street, Sydney, New South Wales 2000, Australia or such other office as it may select from time to time as trustee for the Beneficiaries (as defined in the Debenture referred to below) (the "**Security Trustee**").

#### BACKGROUND

The Chargor enters into this Deed in connection with the Debenture (as defined below).

**IT IS AGREED** as follows:

#### 1 Definitions

In this Deed:

"**Debenture**" means the debenture dated [•] granted by, amongst others, the Chargor in favour of the Security Trustee.

"**Mortgaged Property**" means any freehold, leasehold or immovable property specified in Schedule 1 (Mortgaged Property).

#### 2 Construction

- 2.1 Unless defined in this Deed, a term defined in the Debenture has the same meaning in this Deed and in any notice given under or in connection with this Deed.
- 2.2 The provisions of clause 2.3(a), clause 2.3(e) to 2.3(h) (inclusive), clause 2.4 to 2.7 (inclusive), clause 2.9, clause 5, clause 6.4 to 6.6 (inclusive), Clause 15 to 39 (inclusive) are incorporated into this Deed as if references in those clauses to the Debenture were references to this Deed and if all references in those clauses to Collateral were references to the Mortgaged Property.

#### 3 Undertaking to Pay

The Chargor covenants with the Security Trustee (as trustee for the Beneficiaries) to pay, discharge and satisfy all the Secured Money when due in accordance with their respective terms (or, if the relevant terms do not specify a time for payment, immediately on demand by the Security Trustee) and to indemnify the Beneficiaries against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Money in accordance with their respective terms.

#### 4 Security

- 4.1 All Security created under this Deed:

- (a) is created in favour of the Security Trustee as trustee for the Beneficiaries;
- (b) is security for the payment, discharge and performance of all the Secured Money except for any Secured Money which, if secured by this Deed, would cause such security to be unlawful or prohibited by any applicable law; and



(c) is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4.2 The Chargor charges by way of first legal mortgage all the Mortgaged Property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use the Mortgaged Property.

## 5 Application to the Land Registry

The Chargor consents to an application being made to the Land Registry to enter the following restriction in the Proprietorship register of any property which is, or is required to be, registered forming part of the Mortgaged Property:

"No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge not being a charge registered before the entry of this restriction] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of [insert name of Security Trustee here] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by an authorised signatory of [ ]."

## 6 Miscellaneous

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

## 7 Counterparts

This Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

## 8 Governing Law

8.1 This Deed and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law.

- 8.2
- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
  - (b) The Chargor and the Security Trustee agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly neither the Chargor nor the Security Trustee will argue to the contrary.
  - (c) This Clause 8.2 (Deposit of title documents) is for the benefit of the Security Trustee only. As a result, the Security Trustee will not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

**THIS DEED** is executed as a deed by the Chargor and is signed for and on behalf of the Security Trustee and is delivered and takes effect on the date stated at the beginning of this Deed.

**SCHEDULE 1**  
**MORTGAGED PROPERTY**  
*[TBC]*

## EXECUTION PAGES TO LEGAL MORTGAGE

### The Chargor

EXECUTED as a Deed )  
by )  
**EUROPEAN INSURANCE SERVICES LIMITED** )

acting by:

\_\_\_\_\_ Director  
\_\_\_\_\_ Name of Director

in the presence of:

\_\_\_\_\_ Signature of witness  
\_\_\_\_\_ Name of witness

\_\_\_\_\_ Address  
\_\_\_\_\_ Occupation

### The Security Trustee

Signed for and on behalf of

**PERMANENT CUSTODIANS LIMITED**

in its capacity as trustee of

CBL Corporation Security Trust

By:

Address:

Fax:

Attention:

### SCHEDULE 3

#### Initial Shares

Company whose Shares are being charged	Issued share capital	Description and Number of Shares Held
European Specialty Risks Limited	65	15 fully paid up A ordinary shares of £1 each
Société à responsabilité limitée A C J N	8000	8000 fully paid up ordinary shares of €1 each
EISL Iberia Limited	1000	1000 fully paid up ordinary shares of £1 each

## SCHEDULE 4

### Accounts

<b>Name of Account Bank</b>	<b>Name of Account Holder</b>	<b>Sort Code / IBAN</b>	<b>Account Number</b>	<b>Currency</b>
HSBC (France)	European Insurance Services Limited	FR76 3005 6000 9200 9220 0414 258 BIC CCFRFRPP	00922004142	Euro
HSBC (UK)	European Insurance Services Limited	40-01-06	02282569	GBP
HSBC (UK)	European Insurance Services Limited	40-01-06	63664945	GBP
HSBC (UK)	European Insurance Services Limited	GB07 MIDL 4005 1560 3632 47 BIC: MIDLGB22	60363247	Euro
Bank of Scotland	European Insurance Services Limited	12-24-82	02229246	GBP

SCHEDULE 5

**Form of Notice and Acknowledgment for Account Bank**

**Part 1**

**Form of Notice to Account Bank**

**[On the Letterhead of the Chargor]**

To: [name and address of third party bank]

Attention:[ ]

Copy to: [Security Trustee details]

Date: [ ]

Dear Sirs

**Debenture dated [ ] (the “Debenture”) between, amongst others, [ ] (the “Chargor”) and [ ] (the “Security Trustee”)**

This letter constitutes notice to you that, pursuant to the Debenture, we have [assigned to]/charged (by way of first fixed charge) in favour] of the Security Trustee all our present and future rights and interest in and to account number [ ] in our name with you (the “**Account**”) together with all money from time to time standing to the credit of that Account, all interest accruing in relation to such Account and all Related Rights.

In this notice, “**Related Rights**” means, in respect of the Account, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Account, including sale proceeds and money paid by way of damages, award or judgment made in connection with that Account; and
- (b) all rights and assets of any nature attaching to, deriving from or exerciseable as a result of an interest in or ownership or operation of the Account.

We irrevocably instruct and authorise you to:

- 1 credit to the Account all interest from time to time earned on the sums of money held in the Account;
- 2 deal only with the Security Trustee in relation to the Account unless you receive written instructions from the Security Trustee to the contrary;
- 3 hold all sums from time to time standing to the credit of the Account to the order of the Security Trustee;
- 4 comply with the terms of any written notice or instructions (including payment instructions) relating to the Account or the sums standing to the credit of the Account from time to time which you may receive from the Security Trustee without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instructions;

- 5 disclose to the Security Trustee, without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information relating to the Account and the sums in the Account as the Security Trustee may from time to time request; and
- 6 send copies of all notices and communications relating to the Account to the Security Trustee as well as to us.

Please note that we are and will remain liable to perform all the obligations assumed by us under any mandate or other agreement relating to the Account and that neither the Security Trustee, any Receiver nor any of their agents will at any time have any liability to you regarding the Account.

We are not permitted, without the Security Trustee's prior written consent, to permit or agree to any variation of the terms and conditions relating to the Account or to close the Account.

The instructions in this notice may not be revoked or varied without the prior written consent of the Security Trustee.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to [*identify Security Trustee officer*] at [*insert address details of Security Trustee*] with a copy to us at the above address.

Yours faithfully

.....  
[*Authorised signatory of Chargor*]

**Part 2**  
**Form of Acknowledgement from Account Bank**  
**[On the letterhead of the Account Bank]**

To: [Security Trustee]

Attention:[ ]

Copy to: [ ]

Date: [ ]

Dear Sirs

**Debenture dated [ ] (the “Debenture”) between, amongst others, [ ] (the “Chargor”) and [ ] (the “Security Trustee”)**

We confirm receipt from the Chargor of a notice dated [ ] 201[ ] (the “**Notice**”) of the creation of [an assignment/a first fixed charge], pursuant to the terms of the Debenture, of all the Chargor's present and future rights and interest in and to account number [ ] held with us in the name of [*the Chargor*] (the “**Account**”) together with all money from time to time standing to the credit of that Account, all interest accruing in relation to such Account and all Related Rights (as defined in the Notice).

We confirm that:

- 1 the balance on the Account as at today's date is £[ ];
- 2 we accept the instructions and authorisations contained in the Notice and undertake to comply with the terms of the Notice;
- 3 we have not received notice of the creation of any other assignment or security regarding the [Blocked] Account or of the creation of any third party interest in the Account or in the sums of money held in the Account or the debts represented by those sums and we will notify you promptly should we receive any such notice;
- 4 we do not have and will not in future create, accept or enforce any security interest or right of set-off or combination or other right in respect of the Account, the sums of money held in the [Blocked] Account or the debts represented by those sums; and
- 5 we will not amend the terms or conditions upon which the Account is operated or close the Account without your prior written consent.

This letter is governed by English law.

Yours faithfully

.....  
for and on behalf of  
[third party bank]



## SCHEDULE 6

### **Contracts**

No Contracts at the date of this Deed

## SCHEDULE 7

### Form of Acknowledgement and Acknowledgement for Contract Counterparty

#### Part 1

#### Form of Notice to Counterparty

[On the letterhead of the Chargor]

To: [Contract counterparty]

Copy to: [Security Trustee details]

Date: [ ]

Dear Sirs

**Debenture dated [ ] between, amongst others, [ ] (the "Chargor") and [ ] (the "Security Trustee") (the "Debenture")**

This letter constitutes notice to you that pursuant to the Debenture we have assigned to the Security Trustee by way of security all our present and future rights under or in connection with [insert details of Contract] (the "**Contract**") (including under any guarantee, warranty or indemnity granted in relation to the Contract) and all Related Rights.

In this notice, "**Related Rights**" means, in respect of the Contract, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Contract, including sale proceeds and money paid by way of damages, award or judgement made in connection with that Contract; and
- (b) all rights and assets of any nature attaching to, deriving from or exerciseable as a result of an interest in or ownership or operation of the Contract.

We irrevocably authorise and instruct you to:

- 1 disclose to the Security Trustee without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Contract as the Security Trustee may at any time request;
- 2 deal only with the Security Trustee in relation to the Contract unless you receive written instructions from the Security Trustee to the contrary;
- 3 pay all sums from time to time due and payable by you under the Contract in accordance with any written instructions given to you by the Security Trustee from time to time;
- 4 comply with the terms of any written notice or instructions relating to the Contract or the debts represented by such Contracts which you receive from the Security Trustee without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and
- 5 send copies of all notices and communications relating to the Contract to the Security Trustee as well as to us.

We further instruct you that upon receipt of notice from the Security Trustee that an Event of Default has occurred and is continuing:

- 1 all remedies provided for in the Contract or available at law or in equity are exercisable by the Security Trustee (provided that the Security Trustee shall have no greater rights under this notice than we have under the Contract);
- 2 all rights to compel performance of the Contract are exercisable by the Security Trustee although the Company shall remain liable to perform all of the obligations assumed by it under the Contract; and
- 3 all rights, interests and benefits whatsoever accruing to or for the benefit of us arising from the Contract belong to the Security Trustee to the exclusion of the Chargor.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Contract and that neither the Security Trustee, any Receiver nor any of their agents will at any time have any liability to you under the Contract.

We are not permitted to agree any amendment or supplement to, or to waive any term of the Contract, or to terminate the Contract or to allow it to lapse other than where the Contract expires in accordance with its terms and not by reason of default without the prior written consent of the Security Trustee.

The instructions in this notice may not be revoked or amended without the prior written consent of the Security Trustee.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Trustee at [address], with a copy to us at the above address.

Yours faithfully

.....  
For and on behalf of  
[CHARGOR]

**Part 2**  
**Form of Acknowledgement from Counterparty**  
**[On the letterhead of the Counterparty]**

To: [Security Trustee]  
[Address]

Copy: [Chargor]

Date: [ ]

Dear Sirs

**Debenture dated [ ] between, amongst others, [ ] (the "Chargor") and [ ] (the "Security Trustee") (the "Debenture")**

We confirm receipt from the Chargor of a notice dated [ ] (the "**Notice**") of an assignment, pursuant to the terms of the Debenture, of all the Chargor's present and future rights under or in connection with [insert details of Contract] (the "**Contract**") (including under any guarantee, warranty or indemnity granted in relation to the Contract) and all Related Rights (as defined in the Notice).

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance with and comply with the terms of the Notice;
- 2 we have not received notice of the creation of any other assignment of or security over rights or proceeds arising under the Contract in favour of any third party or the creation of any other third party interest in those rights or proceeds and we will notify you promptly should we receive any such notice;
- 3 we have not claimed or exercised nor do we have any outstanding right to claim or exercise against the Chargor any right of set-off, counter claim or other right relating to the Contract; and
- 4 we agree that no term of the Contract may be amended, supplemented or waived without your prior written consent;
- 5 we agree that the Contract may not be terminated or allowed to lapse [other than where the Contract expires in accordance with its terms and not by reason of default] without your prior written consent.

This letter is governed by English law.

Yours faithfully

.....  
For and on behalf of  
[COUNTERPARTY]

## SCHEDULE 8

### Policies

Directors & Insurance

Travelers via Ten Insurance (broker)

06/09/13 to 05/09/14

Professional Indemnity Insurance

AIG Europe via Ten Insurance (broker)

01/07/13 to 30/06/14

Office Policy - buildings, contents, business interruption, Public & Employers Liability

Allianz Insurance via Stackhouse Poland (brokers)

14/11/2013 to 13/11/2014

## SCHEDULE 9

### Form of Notice and Acknowledgement for Insurer

#### Part 1

#### Form of Notice to Insurer

[On the letterhead of the Chargor]

To: [insert name and address of Insurer]

Copy to: [Security Trustee details]

Date: [ ]

Dear Sirs

Debenture dated [ ] between, amongst others, [ ] (the "Chargor") and [ ] (the "Security Trustee") (the "Debenture")

This letter constitutes notice to you that, pursuant to the Debenture, we have assigned to the Security Trustee by way of security all amounts payable to us under or in connection with the policies described below (the "**Policies**"), all our rights in connection with those amounts and all Related Rights.

In this notice, "**Related Rights**" means, in respect of the Policies, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Policies, including sale proceeds and money paid by way of damages, award or judgement made in connection with that Policy; and
- (b) all rights and assets of any nature attaching to, deriving from or exerciseable as a result of an interest in or ownership or operation of the Policies.

#### [Describe insurances]

We irrevocably authorise and instruct you to:

- 1 disclose to the Security Trustee without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Policies as the Security Trustee may at any time request;
- 2 pay any sums from time to time due and payable by you under the Policies to the Security Trustee [to the following account: [insert account details] or] in accordance with any written instructions given to you by the Security Trustee from time to time;
- 3 comply with the terms of any notice or instructions relating to the Policies which you receive from the Security Trustee (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction);
- 4 note on the Policies the Security Trustee's interest as first priority assignee of (i) all amounts payable under the Policies; and (ii) all rights in connection with those amounts and to identify the Security Trustee as [sole loss payee] and as co-insured in respect of each Policy; and
- 5 send copies of all notices issued under the Policies to the Security Trustee as well as to us.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Policies and that neither the Security Trustee, any Receiver nor any of their agents nor any other person will have any liability to you under the Policies.

We are not permitted to agree any amendment or supplement to or to waive any term of the Policies or to terminate any Policy without the prior written consent of the Security Trustee.

The instructions in this notice may not be revoked or amended without the prior written consent of the Security Trustee.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Trustee at [address] with a copy to us at the above address.

This notice is governed by English law.

Yours faithfully

.....  
For and on behalf of  
[CHARGOR]

**Part 2**  
**Form of Acknowledgement from Insurer**  
**[On the letterhead of the Insurer]**

To: [Security Trustee]  
[Address]

Copy: [Chargor]

Date: [ ]

Dear Sirs

**Debenture dated [ ] between, amongst others, [ ] (the "Chargor") and [ ] (the "Security Trustee") (the "Debenture")**

We acknowledge receipt from the Chargor of a notice dated [ ] (the "**Notice**") of an assignment, pursuant to the terms of the Debenture, of (i) all amounts payable to the Chargor under or in connection with the Policies; (ii) all the Chargor's rights in connection with those amounts; and (iii) all Related Rights, as defined in the Debenture (as defined in the Notice).

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and undertake to act in accordance with and comply with the terms of the Notice;
- 2 we [will note/have noted] your interest as first priority assignee of the amounts and rights referred to above and have identified you as co-insured and sole loss payee on the Policies;
- 3 we will not terminate or otherwise allow any of the Policies to lapse without giving you at least [14 days'] prior written notice;
- 4 we have not received notice of the creation of any other assignment of or any security over rights or proceeds arising under the Policies in favour of any third party or the creation of any other third party interest in those rights or proceeds;
- 5 we will notify you, the Security Trustee, at least 14 days before the Policy is due to expire, if we have not received the Chargor's renewal instructions in relation to such Policy;
- 6 we agree that no term of the Policies may be amended, supplemented or waived without your prior written consent;
- 7 we agree to notify you if the Chargor breaches the terms of any Policy or otherwise gives us grounds to declare any Policy void or voidable and, where the breach is capable of being remedied, to allow you or your agents to remedy the relevant breach; and
- 8 we have not claimed or exercised, and have no outstanding right to claim or exercise, any right of set-off or counterclaim, or other right, in relation to any sum paid or payable under the Policy.

All terms used in this letter have the same meaning as in the Notice.

This letter is governed by English law.

Yours faithfully

.....  
For and on behalf of  
[Name of insurance company]



**EXECUTION PAGES**

**The Chargor**

Executed as a deed by **EUROPEAN INSURANCE SERVICES LIMITED** acting by:



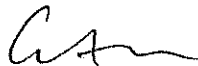
signature of director

Carson Munro

print name of director

Director

in the presence of:



signature of witness

print name of witness

Address

Christopher Leslie Ashton  
Solicitor  
Auckland

Occupation

**Notice details**

Address:

ISCL 50 CBL 48 51 Shortland Street  
Auckland CBD New Zealand

Fax:

64 9 3005046

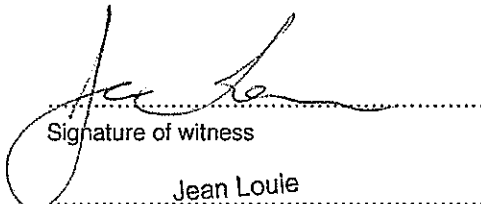
Security Trustee

SIGNED SEALED AND DELIVERED )

by )


Marjana Cvetanoska )  
and Managing Director )

as attorneys for PERMANENT )  
CUSTODIANS LIMITED in its capacity as )  
trustee of CBL Corporation Security Trust )  
under power of attorney in the presence of: )

 )  
Signature of witness )  
Jean Louie )

Name of witness (block letters) )

.....  
By executing this deed the attorney states  
that the attorney has received no notice of  
revocation of the power of attorney

 )  
.....  
By executing this deed the attorney states  
that the attorney has received no notice of  
revocation of the power of attorney

**BNY** *Trust Australia*

# **Agency and Registry Services Agreement**

**BTA Institutional Services Australia Limited**  
(ABN 48 002 916 396)

**CBL Corporation Limited**  
(New Zealand company number 3888838)

and

**certain subsidiaries of CBL Corporation Limited**

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## **AGENCY AND REGISTRY SERVICES AGREEMENT**

**DATE** 15 April 2014

### **PARTIES**

**BTA Institutional Services Australia Limited** (ABN 48 002 916 396) of Level 2, 35 Clarence Street, Sydney, New South Wales 2000, Australia as issuing, paying, calculation agent and registrar (the "**Agent**")

**CBL Corporation Limited** (a company incorporated under the Companies Act 1993 of New Zealand with company number 3888838) of Level 8, Tower One, 51 Shortland Street, Auckland 1010, New Zealand (the "**Issuer**")

**Each person described in Schedule 1** (each an "**Initial Guarantor**")

(and each other person that has executed a New Guarantor Deed Poll and who has not been released from a Guarantee, the "**Guarantors**")

### **RECITALS**

- A. The Issuer has authorised the issuance from time to time of the Notes.
- B. The Notes will be issued by the Issuer pursuant to the Note Trust Deed. The obligations of the Notes will be secured by, and will have the benefit of, the Security.
- C. The Notes will be issued subject to the relevant terms and conditions set out in the Information Memorandum, as supplemented, modified or replaced by any relevant Pricing Supplement and includes the provisions of that Pricing Supplement ("**Conditions**" and references to a numbered "**Condition**" shall be construed accordingly).
- D. This document sets out the terms and conditions upon which the Issuer wishes to appoint the Agent as its issuing, paying and calculation agent and registrar in respect of the Notes.

### **OPERATIVE PROVISIONS**

#### **1. INTERPRETATION**

##### **1.1 Definitions**

Capitalised terms used but not otherwise defined in this document have the meaning given to them in the relevant Information Memorandum, the Note Trust Deed, the Security Trust Deed or the relevant Conditions.

"**Corporations Act**" means the Corporations Act 2001 (Commonwealth).

"**Determination Date**" has the meaning given in clause 6(b)(i).

"**GST**" has the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 (Commonwealth).

"**GST Law**" has the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 (Commonwealth).

"**Guarantee**" has the same meaning given to it in the Note Trust Deed.

**"Information Memorandum"** means:

- (a) the Information Memorandum dated on or about 15 April 2014 or the then latest information memorandum which replaces that document; or
- (b) the information memorandum or other offering document referred to in a Pricing Supplement,

in each case prepared by, or on behalf of, and approved by, the Issuer in connection with the issue of Notes and all documents incorporated by reference in it, including any applicable Pricing Supplement and any other amendments or supplements to it.

**"Invoice"** means a tax invoice under the GST Law.

**"Member"** has the same meaning as in the Austraclear Regulations.

**"New Guarantor Deed Poll"** means the new guarantor deed poll substantially in the same form as set out in the Note Trust Deed.

**"Note"** means a medium term debt obligation issued, or to be issued, by the Issuer which is constituted by, and owing under, the Note Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register.

**"Note Trust Deed"** means the deed entitled "Note Trust Deed" dated on or about 15 April 2014 and executed by, amongst others, the Issuer and the Note Trustee or such other deed that supplements, amends, restates, modifies or replaces the deed referred to above, or which is otherwise acknowledged in writing to be the Note Trust Deed for the purposes of the Notes.

**"Note Trustee"** means BNY Trust Company of Australia Limited (ABN 49 050 294 052) or such other person appointed under the Note Trust Deed as trustee for the "CBL Corporation Note Trust" from time to time.

**"Noteholder"** means, in respect of a Note, the person whose name is entered in the Register as the holder of that Note.

**"Payment Date"** means the date on which any payment is due under the Notes.

**"Pricing Supplement"** means, in respect of a Tranche of Notes, the pricing supplement prepared and issued specifying the relevant issue details of such Notes, and which has been confirmed by the Issuer.

**"Redemption Amount"** means any amount owing on a redemption of the Notes pursuant to the Conditions.

**"Security"** has the same meaning given to it in the Conditions.

**"Security Trust Deed"** means the deed entitled "Security Trust Deed" dated on or about 15 April 2014 and executed by, amongst others, the Issuer and the Security Trustee or such other deed that supplements, amends, restates, modifies or replaces the deed referred to above, or which is otherwise acknowledged in writing to be the Security Trust Deed for the purposes of the Notes.

**"Security Trustee"** means Permanent Custodians Limited (ABN 55 001 426 384) or such other person appointed as "Security Trustee" under the Security Trust Deed from time to time.

"Supply" has the meaning given by the GST Law.

"Taxable Supply" means:

- (a) any Supply made by or on behalf of the Agent in respect of any transaction entered into pursuant to this document; or
- (b) any Supply made by or on behalf of the Agent in respect of any transaction contemplated by this document.

"Taxes" means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any tax authority, together with any related interest, penalties, fines and expenses in connection with them, except if imposed on or calculated having regard to the net income of the Noteholder.

## **1.2 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) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
  - (ii) a document or agreement, or a provision of a 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 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.
- (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 is defined, another part of speech 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) "Australian dollars" or "A\$" is a reference to the lawful currency of Australia.
- (g) A time of day is a reference to Sydney time.
- (h) If a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the thing is to happen, are not to be counted in calculating that period.



- (i) The word "**agreement**" includes an undertaking or other binding arrangement or understanding, whether or not in writing.

## **1.3 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:

- (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 term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

## **2. APPOINTMENT OF AGENT**

### **2.1 Appointment**

Upon the terms and conditions contained in this document, the Issuer hereby appoints the Agent as:

- (a) its issuing agent in respect of the Notes;
- (b) its agent for the purpose of making payments of principal and any interest on the Notes;
- (c) its calculation agent in respect of the Notes; and
- (d) its registrar in respect of the Notes.

### **2.2 Acceptance**

The Agent accepts its appointments under clause 2.1.

## **3. ISSUING DUTIES**

In respect of any Tranche of Notes:

- (a) the Issuer agrees to notify the Agent of its payment instructions and to provide the Agent with its completed and signed Pricing Supplement to be received by the Agent not later than 9.00 am Sydney time on the Business Day prior to the Issue Date (or by such other time as may be agreed in writing by the Agent and the Issuer); and
- (b) the Agent will notify Austraclear of the details of the proposed issue no later than 12.00 noon Sydney time on the Issue Date or such other time as Austraclear requires those details and will lodge the details of the proposed issue in the Austraclear System as soon as practicable thereafter.

## **4. PAYMENT DUTIES**

- (a) The Agent must make payments on behalf of the Issuer of principal and any interest on the Notes at the times and in the manner provided for in this document and in accordance with the Conditions.

- (b) The Agent will establish all necessary bank accounts in its name for the purpose of accepting the payments referred to in clause 4(c), and will provide the Issuer with details of those accounts.
- (c) The Agent must, with respect to each Note, accept payment from or on behalf of the Issuer representing the total amount on any Payment Date of principal and any interest on such Note, as the case may be, and upon receipt credit such payment to the accounts established by it for the purposes of this document.
- (d) If default is made by the Issuer or the Guarantors in respect of any payment to the Agent, unless and until the full amount of the payment has been made under the terms of this document or other arrangements satisfactory to the Agent in its absolute discretion have been made, the Agent shall not be bound to act as paying agent or be bound to make any payment in respect of the Notes.
- (e) The provisions of this paragraph (e) apply in respect of Notes which are not lodged in the Austraclear System.
  - (i) In making any payment of principal or any interest on any Note, the Agent shall pay to the Noteholder all sums held by it for payment in respect of that Note after deduction of any withholding or deduction which is required to be withheld or deducted and which it is instructed to make by the Issuer.
  - (ii) If a deduction is made by the Agent under clause 4(e)(i), the Agent shall promptly remit to:
    - (A) the Issuer, where the relevant payment has been received from the Issuer; and
    - (B) a Guarantor, where the relevant payment has been received from that Guarantor,any amount deducted under this provision. Each of the Issuer and that Guarantor agrees to pay promptly to the relevant taxation authority any amount received by it from the Agent under this sub-paragraph (ii).
- (f) The provisions of this paragraph (f) apply in respect of Notes lodged in the Austraclear System. In making any payment of principal or any interest on any Notes, the Agent shall pay all sums payable by it on behalf of the Issuer for payment in respect of such Notes, by cash transfer effected in the Austraclear System by a single function entry (or as otherwise required) to the account of each entity entered in the records of Austraclear as the "registered owner" of each Note in accordance with the Austraclear Regulations:
  - (i) without withholding or deduction for any Australian withholding tax which is required to be withheld or deducted; but
  - (ii) after deduction of any other withholding or deduction which is required to be withheld or deducted and which the Issuer has instructed the Agent to make.
- (g) Moneys held by the Agent in respect of any Notes remaining unclaimed at the end of five years after any such interest or principal has become due and payable (whether at maturity, upon call for redemption, or otherwise) must be repaid by the Agent to the Issuer. No

interest will be payable by the Agent in respect of such moneys. Upon such repayment, all liability of the Agent with respect to such funds will cease.

## **5. METHOD OF PAYMENT**

In making payment on a Note the Agent must, subject to the provisions of clauses 4(e), 4(f) and 7.2:

- (a) in respect of a Note held by Austraclear, credit on the Payment Date by a single function entry (or as otherwise required) in the Austraclear System the account of each entity entered in the records of Austraclear as the "registered owner" of the Note in accordance with the Austraclear Regulations; and
- (b) in respect of a Note which is not held by Austraclear, credit on the Payment Date the amount then due to an account in Australia previously notified by the Noteholder to the Issuer and the Agent. If:
  - (i) the Noteholder has not notified the Issuer and the Agent of its account details by close of business on the relevant Record Date; or
  - (ii) the Issuer and the Agent receive an application from the Noteholder by close of business on the relevant Record Date for payments to that Noteholder to be made by cheque,

the Agent must make payment in respect of the relevant Note by cheque (drawn on a bank in Australia) posted on the relevant Payment Date to the address of the relevant Noteholder (or to the first named of joint Noteholders) appearing in the Register as at close of business on the Record Date.

## **6. CALCULATION DUTIES**

- (a) The Agent must:
  - (i) by no later than 7 calendar days before the relevant Payment Date, advise the Issuer of the amount due in respect of each Note payable by the Issuer on that Payment Date;
  - (ii) as soon as practicable after the relevant time on such date as the relevant Conditions or the relevant Pricing Supplement may require, obtain any quote to be obtained or make any determination or calculation to be made in respect of the Notes;
  - (iii) notify the Issuer of each calculation made under sub-paragraph (a)(ii) as soon as practicable after its determination, and in any event not later than 12.00 noon Sydney time one Business Day after such calculation is made;
  - (iv) provide the Issuer with reasonable details of the manner of arriving at each calculation made under sub-paragraph (a)(ii) not later than 12.00 noon Sydney time one Business Day after such calculation is made; and
  - (v) unless otherwise specified in the relevant Pricing Supplement and/or Conditions:
    - (A) round all percentages in such calculations to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);

- (B) round all figures in such calculations to five significant figures (with halves being rounded up); and
  - (C) round all amounts that fall due and payable in such calculations to the nearest cent (with halves being rounded up).
- (b) For each Series of Notes, the Issuer must:
  - (i) specify in the Pricing Supplement the interest rate to be quoted, from which Bloomberg or Reuters page it is to be sourced (if applicable), the relevant time (if applicable) and the number of calendar days prior to the commencement of any interest period that the determination is to be made (the "**Determination Date**"); and
  - (ii) provide to the Agent such documents and other information as the Agent reasonably requires in order for the Agent to properly fulfil its duties as calculation agent under this document.
- (c) If the Agent at any time has not been provided with the requisite information to make any determination or calculation or take any action that it is required to pursuant to this clause 6, it shall be released from its obligations to make such calculation. The Agent must notify the Issuer as soon as practicable on any Determination Date if it lacks sufficient information to make a calculation.

## **7. DUTIES OF THE ISSUER**

### **7.1 Payments by the Issuer**

- (a) The Issuer must confirm to the Agent by facsimile, no later than 3.00 pm Sydney time, on the third Business Day prior to each Payment Date, the amount of any interest and/or principal it will pay in respect of each Note on such Payment Date.
- (b) In order to provide for payments under the Notes as they become due the Issuer or, failing which, the Guarantors must (unless otherwise agreed) unconditionally pay or procure to be paid in Australian dollars in immediately available funds into the accounts referred to in clause 4(b):
  - (i) not later than 12 noon Sydney time on the Business Day before each Interest Payment Date for a Note, an amount sufficient (together with any funds then held by the Agent which are available for such purpose) to pay any interest due under the Note on that Interest Payment Date; and
  - (ii) not later than 12 noon Sydney time on the Business Day before each Maturity Date for a Note, an amount sufficient (together with any funds then held by the Agent which are available for such purpose) to pay the Redemption Amount due on that Maturity Date for that Note.
- (c) The Issuer shall provide to the Agent all information requested by the Agent and necessary to properly perform its role as agent under this document.

## **7.2 No Obligation**

The Agent is under no obligation to make a payment on any Payment Date pursuant to this document unless, on or before 12 noon Sydney time on the Business Day before that relevant Payment Date, the Agent has received in the accounts referred to in clause 4(b) sufficient cleared funds from or on behalf of the Issuer or the Guarantors to enable the Agent to make such payment.

## **7.3 Timing of Payment on Notes**

- (a) Subject to having received the applicable funds from or on behalf of the Issuer or the Guarantors in accordance with clause 7.1, the Agent must pay:
  - (i) any interest due on a Note on the applicable Interest Payment Date; and
  - (ii) the Redemption Amount for a Note on its Maturity Date.
- (b) If the Agent has not received the applicable funds from or on behalf of the Issuer or the Guarantors in accordance with clause 7.1 in respect of a payment referred to in clause 7.3(a) when that payment is due to be made, the Agent must, subject to clauses 4(d) and 4(e), make that payment as soon as reasonably practicable after receipt of the necessary funds from or on behalf of the Issuer or that Guarantor.

## **8. REGISTRY DUTIES**

### **8.1 Keeping of Register**

- (a) The Agent will establish, maintain and conduct the Register in accordance with the provisions of this document and the relevant Conditions (as at the date of the relevant Note Trust Deed or as subsequently amended with the prior written consent of the Agent).
- (b) The Agent agrees to provide registration and marking facilities in New South Wales or such other place as the Issuer and the Agent may agree.
- (c) The Agent will:
  - (i) open the Register for business on each Business Day; and
  - (ii) provide services under this document at its specified office when it is open for business at that place during the hours of 9.00am to 4.30pm (Sydney time) Monday to Friday.
- (d) The Agent will inscribe on the Register the following information:
  - (i) the principal amount of the Note;
  - (ii) the full name and address of the Noteholder;
  - (iii) any declaration of non-residence, tax file number or Australian business number or exemption details (if provided by the Noteholder, or if provided by the Issuer in respect of a Noteholder);
  - (iv) the Issue Date, Maturity Date and any interest rate and payment details of the Note;
  - (v) the Tranche and Series of the Note;

- (vi) any payment instructions notified by the Noteholder or provided by the Issuer in respect of a Noteholder;
  - (vii) all subsequent transfers and changes of ownership of the Note;
  - (viii) the details of any marking which has been provided in respect of the Note; and
  - (ix) such other information as is required by all applicable laws or as the Issuer and Agent agree.
- (e) The Agent may keep the Register by recording the matters in question otherwise than in legible form if they are capable of being reproduced in legible form.
- (f) The Agent will make the Register available for inspection by the Issuer, the Note Trustee, the Noteholders and persons authorised in writing by the Issuer, the Note Trustee or a Noteholder during the hours of 9.00am to 4.30pm (Sydney time) Monday to Friday (unless that day is not a Business Day).

## **8.2 Registry Duties**

- (a) Without limiting the generality of any other provision of this document, the Agent must, subject to the provisions of the relevant Conditions (as at the date of the relevant Note Trust Deed or as subsequently amended with the prior written consent of the Agent):
- (i) receive, check, record, enter and register new issues, transfers, transmissions of Notes and cancel any Notes redeemed by the Issuer or purchased by the Issuer which the Issuer elects to cancel, provided that the Agent must not make an inscription in respect of the issue or transfer of any Notes, unless the applicable relevant Conditions (as at the date of the relevant Note Trust Deed or as subsequently amended with such amendment being notified to the Agent) have been complied with;
  - (ii) provide documents under those Conditions when required by those Conditions, and issue, dispatch or receive such notices as the Issuer may reasonably consider expedient;
  - (iii) provide transfer and acceptance forms in respect of the Notes to Noteholders in accordance with those Conditions and, if requested by a Noteholder, mark such forms in accordance with customary market practice;
  - (iv) issue, dispatch or receive such notices or certificates as reasonably required by the Issuer from time to time, including, without limitation, certificates or notices evidencing the registration and de-registration of the Notes;
  - (v) answer promptly all reasonable written enquiries from a Noteholder or the Issuer;
  - (vi) refer all enquiries with respect to the Issuer's activities, policies and practices to the Issuer;
  - (vii) treat as the absolute owner of each Note for all purposes the Noteholder inscribed on the Register; and
  - (viii) act in accordance with those Conditions.

- (b) Subject to paragraph (a), the following property is and remains the absolute property of the Issuer:
  - (i) the Information Memorandum;
  - (ii) the constitution of the Issuer;
  - (iii) any instructions or authorities issued by the Issuer;
  - (iv) the mailing list of the Noteholders; and
  - (v) any other documentation or information arising out of or relating to performance by the Agent of this document other than the Agent's own internal records.
- (c) The Agent will upon request by the Issuer and at the cost of the Issuer deliver any of the material referred to in paragraph 8.2(b) to the Issuer within a reasonable time after receiving such request. The Agent will obtain the written approval of the Issuer before destroying any documents, files or records relating to the Notes. If the Issuer fails to respond to any written request made by the Agent for any such approval within 30 days of the date of the Agent's request, the Issuer will be taken to have given its consent to such request. On receipt of the approval of the Issuer, the Agent will destroy the documents, files or records approved by the Issuer and will promptly notify the Issuer in writing of their destruction.
- (d) All computer programmes and systems operating instructions and the industrial and all intellectual property rights in or in connection with such programmes and systems are and will remain the absolute property of the Agent and may not be used in any manner without prior written consent of the Agent. Nothing in this document conveys to the Issuer any right, title or interest in or to those programmes and systems.
- (e) The Issuer will provide clear and adequate instructions in writing to the Agent on procedures to be adopted by the Agent in the performance of its registry duties under this document.
- (f) The Registrar must issue to each Noteholder a Statement of Holding as soon as reasonably practicable after the Issue Date for the Notes and in any event within 15 Business Days of the Issue Date for the Notes.

## **9. COPIES OF THE AGREEMENT AND THE NOTE TRUST DEED AVAILABLE FOR INSPECTION**

- (a) An executed copy of the Note Trust Deed shall be deposited by the Issuer with the Agent and shall be held in safe custody by the Agent on behalf of the Noteholders.
- (b) The Agent shall hold copies of this document and any other documents expressed to be held by it in the Information Memorandum in relation to the Notes and make them available for inspection by Noteholders during the hours of 9.00 am to 4.30 pm (Sydney time) on each Business Day. For this purpose, the Issuer shall furnish the Agent with sufficient copies of each such document.

## **10. FEES AND EXPENSES**

- (a) The Agent will be entitled to such fees and expenses for all services rendered by it and its agents under this document as separately agreed between the parties, and the Issuer (or

failing which, the Guarantors jointly and severally) must on demand by the Agent compensate and reimburse the Agent for:

- (i) all out-of-pocket expenses (including without limitation Taxes and GST);
- (ii) any amount imposed as additional tax, penalty tax, fine, interest or other charge payable in respect of GST, except where such amount became payable as a result of an act or omission of the Agent; and
- (iii) all disbursements and advances (including without limitation legal fees and expenses, cost of postage, telephone calls, stationery and courier charges),

properly incurred or made by the Agent (but excluding any taxes imposed on the overall net income of the Agent) in connection with the services rendered by it under this document.

- (b) To the extent that the Agent charges the Issuer for GST on the amounts payable to the Agent under paragraph (a), the Agent will, as required by the GST Law, issue an Invoice to the Issuer for the GST on each Taxable Supply.
- (c) The Agent may at any time apply all or any part of any credit balance in the accounts referred to in clause 4(b) by way of set-off or counterclaim in or towards payment of any fees and expenses payable to it by the Issuer under this document

## **11. RIGHTS AND LIABILITIES OF THE AGENT**

- (a) The Agent may rely on:
  - (i) any document (including any facsimile transmission) it reasonably believes to be genuine and correct;
  - (ii) any notice or certificate provided to it by the Issuer or the Guarantors; and
  - (iii) advice and statements of lawyers, accountants, auditors, bankers and other consultants and experts, whether or not retained by it,

and the Agent, its directors, officers, employees and agents will be protected and will incur no liability for, or in respect of, any action taken, omitted to be taken, or suffered by the Agent in reliance on such document, such notice or certificate or such opinion.

- (b) Any order, written instruction, notice, request, direction, statement, certificate, consent, report, affidavit, or other instrument, paper, document or communication from the Issuer or given by the Issuer and sent, delivered or directed to the Agent under, pursuant to, or as permitted by, any provisions of this document will be sufficient for purposes of this document if such order, written instruction, notice, request, direction, statement, certificate, consent, report, affidavit, or other instrument, paper, document or communication is in writing and signed by a duly authorised officer of the Issuer.
- (c) The Agent is not required to keep itself informed as to the compliance by any other party with this document, the Conditions, or any other document or agreement.
- (d) The Agent may assume (unless it has received notice to the contrary in its capacity as Agent for the Issuer) the:



- (i) legality, validity, effectiveness, adequacy or enforceability of the Notes; and
  - (ii) performance and compliance by the Issuer with the provisions of this document and the Conditions (as at the date of the relevant Note Trust Deed or as subsequently amended with the prior written consent of the Agent).
- (e) The Agent shall be under no duty to enquire into or investigate the validity, accuracy or content of any document.
- (f) None of the Agent, its directors, officers, employees, agents and related bodies corporate is responsible to the Issuer for, or will be liable (whether in negligence or on any other ground whatsoever) in respect of any of the following whether before or after the date of this document:
  - (i) the value, validity, effectiveness, genuineness, enforceability or sufficiency of any document or agreement or any transaction; or
  - (ii) any failure by any party to this document or the Conditions other than the Agent to perform its obligations.
- (g) Except where otherwise provided in this document, any determination, statement or certificate by the Issuer provided for in this document is sufficient evidence of each thing determined, stated or certified until proven wrong, and the Agent is entitled to rely on such determination, statement or certificate without liability.
- (h) In no event shall the Agent be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond the Agent's control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour dispute, any laws, ordinances, regulations or the like which restrict or prohibit the providing of the services contemplated by this document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond the Agent's control whether or not of the same class or kind as specifically named above.
- (i) The Agent may consult (at the expense of the Issuer) with reputable advisers satisfactory to it and the written advice of such advisers will constitute full and complete authorisation and protection of the Agent with respect to any action taken, omitted to be taken, or suffered by it hereunder in accordance with and in reliance upon the written advice of such advisers, and the Agent shall not be responsible to any person for any loss occasioned by so acting.
- (j) The Agent may employ or appoint any person as employee, attorney, contractor, professional advisor, officer, agent, delegate or otherwise (if any), and delegate to any such person its powers, duties and obligations, as may be necessary for it to carry out any of its obligations under this document. The Agent will not be liable for any acts or omissions of any person it employs or appoints under this paragraph, subject to the Agent having acted with all due care in selecting that person.
- (k) Notwithstanding any other provision of this document, the Agent will not be liable for any loss or damage of any kind whatsoever arising from it complying with any of the requirements, procedures or practices set out in the Austraclear Regulations or the operating manual published from time to time by Austraclear.

- (l) The Agent will not be liable in respect of any conduct, delay or breach of any obligation under this document arising from an error of judgment made in good faith, notwithstanding any other provision of this document.
- (m) The Agent will not be responsible for the perfection, preservation or accuracy of the registration of new issues, transfers or transmissions of Notes, or the adequacy, sufficiency or efficacy of any security interest. The Agent will not be responsible for, nor required to take, any action with respect to the foregoing.
- (n) Notwithstanding any provision of this document to the contrary, including, without limitation, any indemnity made by the Agent in this document, the Agent will not in any event be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable, even if the Agent has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.
- (o) No action, regardless of form, arising out of or pertaining to the role of the Agent hereunder may be brought by any party hereto or beneficiary hereof more than twelve months after such party has actual written notice that such cause of action has accrued.
- (p) Notwithstanding any term of this agreement, the Agent shall only be liable to the Issuer for its direct damages from any fraud, gross negligence or wilful misconduct on the part of the Agent or its officers, employees or related bodies corporate (as defined in the Corporations Act) in performance of this document.

## **12. CONDITIONS OF APPOINTMENT**

- (a) The Agent shall be entitled to deal with money paid to it by the Issuer or the Guarantors for the purposes of this document in the same manner as other money paid to a banker by its customers and shall not be liable to account to the Issuer or the Guarantors for any interest or other amounts in respect of the money. No money held by any Agent need be segregated except as required by law.
- (b) The Agent shall hold all money paid to it by the Issuer or the Guarantors for the purposes of this document uninvested, unless instructed to do so by the Issuer.
- (c) In acting under this document and in connection with the Notes, the Agent shall act solely as agent of the Issuer and the Guarantors and will not assume any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Notes.
- (d) Except as otherwise permitted in the Conditions or as ordered by a court of competent jurisdiction or required by law or otherwise instructed by the Issuer or the Guarantors, the Agent shall be entitled to treat the registered holder of any Note as the absolute owner for all purposes (whether or not the Note shall be overdue and notwithstanding any notice of ownership or other writing on the Note or any notice of previous loss or theft of the Note).
- (e) In acting as Agent under this document, the Agent is only obliged to perform such duties and only such duties as are specifically set out in this document and in the Conditions (as at the date of the relevant Note Trust Deed or as subsequently amended with the written consent of the Agent) in so far as such Conditions purport to bind the Agent and no other duties or obligations shall be read into or implied in this document against the Agent.

- (f) For the purposes of this document, the Agent will only be considered to have notice of any thing if the Agent has notice of that thing by virtue of the actual notice of the officers of the Agent who have day to day responsibility for the administration of the obligations of the Agent under this document.
- (g) The Agent, its officers, directors or employees may become the owner of, or acquire any interest in, Notes with the same rights that it or he would have if the Agent concerned were not appointed under this document, and may engage or be interested in any financial or other transaction with the Issuer or the Guarantors, and may act on, or as depository, trustee or agent for, any committee or body of Noteholders or other obligations of the Issuer or the Guarantors, as freely as if the Agent were not appointed under this document.
- (h) Notwithstanding any other provision in this document, the Agent shall not be under any obligation to take any action under this document which it expects will result in any expense or liability accruing to it, the payment of which within a reasonable time is not, in its opinion, assured to it.
- (i) Notwithstanding any other provision in this document, the Agent shall not be under any obligation to take any action otherwise required by this document if it is, or becomes, unlawful (or impossible as a result of a change in law or regulation) in any jurisdiction for the Agent to take that action.

## **13. TERMINATION, RESIGNATION OR REMOVAL OF THE AGENT**

- (a) The Agent may at any time resign as Agent by giving written notice to the Issuer specifying the date on which its desired resignation shall become effective, provided that such notice shall be given at least sixty days prior to that effective date unless the Issuer otherwise agrees in writing.
- (b) The Issuer may terminate the appointment of the Agent under this document at any time by giving written notice to the Agent and specifying the effective date of such termination which shall be at least thirty days after the date of such notice and shall not be less than seven Business Days prior to the next Payment Date.
- (c) Upon termination by the Issuer of the appointment of the Agent under this document or resignation by the Agent pursuant to the provisions of this clause, the Agent shall be entitled to the payment of all fees, expenses and other amounts owed to it by the Issuer under this document and to the reimbursement of all reasonable out-of-pocket expenses incurred in connection with all services rendered by it under this document in its capacity as Agent, as provided by clauses 9 and 14.
- (d) The provisions of clauses 11, 15 and 16 shall remain in effect following termination of the appointment of the Agent by the Issuer or the resignation of the Agent or the termination of this document generally.

## **14. APPOINTMENT OF SUCCESSOR AGENT**

- (a) In the event of the termination of the appointment of the Agent or the resignation or removal of the Agent pursuant to clause 13, the Issuer must promptly appoint a successor agent so that where the original Agent gives notice under clause 13(a) it may resign upon expiry of the relevant period of notice and be replaced immediately by the successor Agent.

- (b) Any successor agent appointed by the Issuer or the Agent following termination of the appointment or the resignation of the Agent pursuant to the provisions of clause 13 will execute and deliver to the Agent and the Issuer an instrument accepting such appointment. Thereupon, such successor agent will, without any further act, deed or conveyance, become vested with all the authority, rights, powers, immunities, duties and obligations of the Agent and with like effect as if originally named as Agent under this document, and the Agent will thereupon be obligated to transfer and deliver, at the Issuer's cost, the originals or copies (at the Agent's option) of the relevant records maintained by the Agent in connection with the performance of its obligations as Agent under this document.
- (c) If the Issuer has not appointed a successor agent in accordance with paragraph (a) above, the Agent may appoint a successor agent and the Issuer and the Guarantors will do all things necessary, and all things reasonably required by the Agent, to effect that appointment.

## **15. INDEMNIFICATION**

### **15.1 Indemnity by the Issuer**

- (a) The Issuer (failing whom, the Guarantors jointly and severally) indemnifies the Agent and its officers, directors, agents, attorneys and employees (together included in the defined term "**Indemnified Party**" for the purposes of this clause 15) against each claim, action, proceeding, judgment, damage, loss, reasonable out-of-pocket expense or liability (including legal costs on a full indemnity basis) ("**Indemnified Event**") incurred or suffered by or brought or made or recovered against the Agent in connection with the Issuer's duties and obligations pursuant to this document, except where such Indemnified Event is the result of fraud, gross negligence or wilful misconduct on the part of the Indemnified Party.
- (b) The indemnity set out in this clause 15.1 shall survive the resignation or removal of the Agent and any termination of this document.

## **16. INFORMATION SHARING**

The Issuer understands that The Bank of New York Mellon Corporation is a global financial organisation that operates in and provides services and products to clients through affiliates and subsidiaries located in multiple jurisdictions (the "**BNY Mellon Group**"). The Issuer also understands that the BNY Mellon Group may centralise in one or more affiliates, subsidiaries or unaffiliated service providers certain activities, including audit, accounting, administration, risk management, legal, compliance, sales, marketing, relationship management, and the storage, maintenance, aggregation, processing and analysis of information and data regarding the Issuer and the Notes. Consequently, the Issuer hereby consents and authorises the Agent to disclose to other members of the BNY Mellon Group (and their respective officers, directors and employees) information and data regarding the Issuer, its employees and representatives in connection with the foregoing activities. To the extent that information and data includes personal data encompassed by relevant data protection legislation applicable to the Issuer, the Issuer represents and warrants that it is authorised to provide the foregoing consents and authorisations and that the disclosure to the Agent will comply with the relevant data protection legislation. The Issuer acknowledges and agrees that information concerning the Issuer may be disclosed to the BNY Mellon Group and unaffiliated service providers who are required to maintain the confidentiality of such information, to governmental and regulatory authorities in jurisdictions where the BNY Mellon Group operates, and otherwise as required by law.

## **17. MERGER, CONSOLIDATION OR SALE OF BUSINESS BY THE AGENT**

Any corporation into which the Agent may be merged or consolidated, or any corporation resulting from any merger or consolidation to which the Agent may be a party, or any corporation to which the Agent may sell or otherwise transfer all or substantially all of its assets and business, will, to the extent permitted by applicable law, become the Agent under this document without the execution or filing of any paper or any further act by the parties thereto.

## **18. GOVERNING LAW, JURISDICTION AND SERVICE OF PROCESS**

### **18.1 Governing Law**

This document is governed by the law in force in New South Wales.

### **18.2 Jurisdiction**

Each party to this document irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts, to claim that the action has been brought in an inconvenient forum, or to claim those courts do not have jurisdiction.

### **18.3 Service of Process**

Without preventing any other mode of service, any document in an action (including, without limitation, any writ of summons or other originating process or any third or other party notice) may be served on a party by being delivered to or left for that party at its address as stated in this document.

### **18.4 Agent for service of process**

Each of the Issuer and the non-Australian Guarantors appoints Deposit Power Pty Ltd (ABN 49 160 226 442) of Level 10, 28 Margaret Street, Sydney NSW 2000, Australia as its agent to receive any document referred to in clause 18.3 ("Service of Process"). If for any reason that person ceases to be able to act as such, the Issuer or the non-Australian Guarantor will immediately appoint another person with an office located in New South Wales to act as its agent to receive any such document and will promptly notify the Note Trustee of such appointment.

## **19. WAIVER OF IMMUNITY**

The Issuer and the Guarantors irrevocably and unconditionally waive with respect to this document any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consent to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, judgment or award made or given in connection with any suit, action, proceeding or dispute.

## **20. COUNTERPARTS**

This document may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

## **21. NOTICES**

### **21.1 How to give notice**

Each communication to be made under this document must be made in writing and must be left at the address of the addressee or sent by prepaid ordinary post (airmail if sent from one country to another) or by facsimile in each case to the address or facsimile number set out below, or if the addressee notifies another address or facsimile number then to that address or facsimile number.

**(a) BTA Institutional Services Australia Limited**

Address: Level 2  
35 Clarence Street  
Sydney NSW 2000  
Facsimile: (61 2) 9551 5009  
Attention: Global Client Services

**(b) Issuer**

Address: Level 8, Tower One  
51 Shortland Street Auckland 1010 New Zealand  
Facsimile: + 64 9 300 5046  
Telephone: + 64 9 303 4770  
Attention: Chief Financial Officer

**(c) Initial Guarantors**

As set out in Schedule 1

### **21.2 When a notice is given**

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if it is delivered or sent by fax, on production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient notified for the purpose of this clause:

  - (i) by 5.00 pm (local time in the place of receipt) on a Business Day – on that day; or
  - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day – on the next Business Day; and
- (b) if it is sent by mail, on the third (seventh, if posted from a place in one country to a place in another country) day after posting.
- (c) if it is sent by email, whichever happens first:

  - (i) when the sender receives an automated message confirming delivery; or
  - (ii) when the send receives any other proof that the email has been received,

unless the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (addressee's time) it is deemed to be received at 9.00 am on the following Business Day.

Notices sent by email are taken to be signed by the named sender.

**22. POWER OF ATTORNEY**

Each attorney executing this document states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.

**23. ASSIGNMENT**

Subject to clause 11.1(j), no party to this agreement may assign its rights under this document unless agreed in writing by the other party. Nothing in this clause 23 affects the rights of the Agent to transfer Notes.

**24. AMENDMENTS**

This document may not be amended or modified except in writing signed by each of the parties to this document.

**25. ACCESSION BY NEW GUARANTORS**

The Issuer will procure that each person who executes a Guarantor Deed Poll also (at the same time) executes a deed poll pursuant to which such person agrees to be bound as a Guarantor under and for the purposes of this document. Such deed poll must be in the form reasonably satisfactory to the Agent and may be in substantially the same form as the Guarantor Deed Poll.

**26. RELEASE OF GUARANTORS**

The Agent agrees that if a person is released as a Guarantor under the terms of the Guarantee, such person shall also be automatically discharged and released from its obligations, liabilities and covenants as a Guarantor under this document without any further action on the part of any person and the Agent consents to such release.

**Schedule 1 - Initial Guarantors**

<b>Name</b>	<b>ABN (or equivalent) and address and other contact details</b>	<b>Jurisdiction of incorporation</b>
LBC Holdings New Zealand Limited	New Zealand company number 4772359  Address: Level 8, 51 Shortland Street, Auckland 1010, New Zealand  Fax: + 64 9 300 5046  Phone: + 64 9 303 4770  Attention: Chief Financial Officer	New Zealand
LBC Holdings Europe Limited	New Zealand company number 4774919  Address: Level 8, 51 Shortland Street, Auckland 1010, New Zealand  Fax: + 64 9 300 5046  Phone: + 64 9 303 4770  Attention: Chief Financial Officer	New Zealand
LBC Holdings UK Limited	New Zealand company number 4774859  Address: Level 8, 51 Shortland Street, Auckland 1010, New Zealand  Fax: + 64 9 300 5046  Phone: + 64 9 303 4770  Attention: Chief Financial Officer	New Zealand
Intercede 2408 Limited	United Kingdom company number 07550811  Address: 12 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1PA, United Kingdom	United Kingdom



## **BNY** *Trust Australia*

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	Fax: + 64 9 300 5046 Phone: + 64 9 303 4770 Attention: Chief Financial Officer	
European Insurance Services Limited	United Kingdom company number 05681736 Address: 12 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1PA, United Kingdom Fax: + 64 9 300 5046 Phone: + 64 9 303 4770 Attention: Chief Financial Officer	United Kingdom

# BNY Trust Australia

EXECUTED as an agreement.

Agent

EXECUTED by BTA INSTITUTIONAL  
SERVICES AUSTRALIA LIMITED (ABN 48  
002 916 396 in its capacity as Agent by its attorney  
under Power of Attorney in the presence of:

Signature of witness

Jean Louie

Name of witness

BNY Mellon

Level 2, 35 Clarence Street

Address of witness

Sydney, NSW, 2000

Occupation of witness

Attorney

Marjana Cvetanoska  
Managing Director

Name

01/09/07  
Date of Power of Attorney

Issuer

EXECUTED by CBL  
CORPORATION LIMITED (New  
Zealand company number 388838):

Signature of director

Name of director (block letters)

Signature of director

Name of director (block letters)

# **BNY Trust Australia**

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**EXECUTED** as an agreement.

**Agent**

**EXECUTED** by BTA INSTITUTIONAL  
SERVICES AUSTRALIA LIMITED (ABN 48  
002 916 396 in its capacity as Agent by its attorney  
under Power of Attorney in the presence of:

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address of witness

\_\_\_\_\_  
Date of Power of Attorney

\_\_\_\_\_  
Occupation of witness

**Issuer**

EXECUTED by CBL )  
CORPORATION LIMITED (New )  
Zealand company number 388838): )

\_\_\_\_\_  
Signature of director )

\_\_\_\_\_  
Signature of director )

\_\_\_\_\_  
Name of director (block letters) )

\_\_\_\_\_  
Name of director (block letters) )

# BNY Trust Australia

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## Initial Guarantors

EXECUTED by LBC HOLDINGS )  
NEW ZEALAND LIMITED (New )  
Zealand company number )  
4772359): )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

..... )  
Address of witness )  
Christopher Leslie Ashton )  
Solicitor )  
..... Auckland..... )  
Occupation of witness )

..... )  
Signature of director

..... )  
Name of director (block letters)

EXECUTED by LBC HOLDINGS )  
EUROPE LIMITED (New Zealand )  
company number 4774919): )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

..... )  
Address of witness )

..... )  
Occupation of witness )

..... )  
Signature of director

..... )  
Name of director (block letters)

# BNY Trust Australia

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EXECUTED by LBC HOLDINGS )  
UK LIMITED (New Zealand )  
company number 4774859): )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

..... )  
Address of witness )  
Christopher Leslie Ashton )  
Solicitor )  
..... Auckland..... )  
Occupation of witness )

..... )  
Signature of director

..... )  
Name of director (block letters)

EXECUTED by INTERCEDE 2408 )  
LIMITED (English company )  
number 07550811): )

..... )  
Signature of witness )

..... )  
Name of witness (block letters) )

Christopher Leslie Ashton )  
Solicitor )  
..... Auckland..... )  
Address of witness )

..... )  
Occupation of witness )

..... )  
Signature of director

..... )  
Name of director (block letters)

# BNY Trust Australia

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EXECUTED by EUROPEAN  
INSURANCE SERVICES  
LIMITED (English company  
number 05671736):

.....  
Signature of witness

.....  
Name of witness (block letters)

.....  
Address of witness

**Christopher Leslie Ashton**

**Solicitor**

.....**Auckland**.....  
Occupation of witness

.....  
Signature of director

.....  
Name of director (block letters)

## ISSUE INSTRUCTIONS

**To** BTA Institutional Services Australia Limited (ABN 48 002 916 396)

**Re** CBL Corporation Limited (New Zealand company number 3888838) ("**CBL**")  
Issue of A\$55,000,000 8.25% Notes due 17 April 2019

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Terms defined in the Agency and Registry Agreement between, among others, BTA Institutional Services Australia Limited and CBL dated 15 April 2014 (the "**Agreement**") have the same meaning in this Issue Instruction.

We confirm our instructions to you as Agent to undertake the duties set out in the Agreement in respect of the issue of Notes as described below:

### **Details of Notes**

**Counterparty:**

1. J.P. Morgan Nominees Australia Limited (acting on behalf of FIIG Securities Limited) ("**FIIG**")
2. Austraclear code: JPMG20
3. Consideration Amount to be received from FIIG: A\$[•]

**Note Details:** A\$55,000,000 8.25% Notes due 17 April 2019

**Full Name of Issuer:** CBL Corporation Limited

### **Note Reference**

**Issue Date:** 17 April 2014

**Maturity Date:** 17 April 2019

**Interest Commencement Date:** 17 April 2014

**ISIN:** [•]

**Austraclear Series ID:** [•]

**Type of Note:** Fixed Rate Medium Term Notes

**Interest Frequency:** Semi-annually, each of 17 April and 17 October in each year, from and including 17 October 2014, up to and including, 17 April 2019 or, if redeemed earlier, an Optional Redemption Date

**Face Value Amount:** A\$55,000,000

**Consideration Amount:** A\$[•]

**Trade type:** Delivery vs Payment

***Payment Details***

Delivery vs Payment

Please transfer the Consideration Amount on the Issue Date to:

Bank Name:	Bank of New Zealand, Auckland
SWIFT:	BKNZNZ22
Account Number:	709204-0004
Name of Account:	CBL Insurance Limited

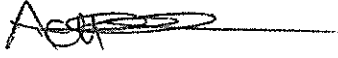
Date: 15 April 2014



Yours sincerely

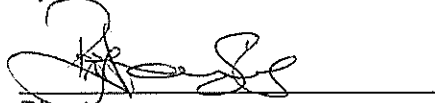
**CBL Corporation Limited**

By:

A handwritten signature in black ink, appearing to be 'A. S.', written over a horizontal line.

Director

By:

A handwritten signature in black ink, appearing to be 'R. S.', written over a horizontal line.

Director