

MR01

Particulars of a charge



Companies House



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A fee is be payable with this form
Please see 'How to pay

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

☒ **What this form is NOT for**
You may not use this form to
register a charge where
instrument. Use form M



A27 *A6YCLY8A* #106
25/01/2018
COMPANIES HOUSE

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery.



You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record. **Do not send the original.**

1 Company details

Company number ☒ 0 6 8 3 9 3 0 7

Company name in full ☒ CALIX (EUROPE) LIMITED

0 0 0 1 For official use

→ Filling in this form

Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

2 Charge creation date

Charge creation date ☒ d 2 d 4 m 0 m 1 y 2 y 0 y 1 y 8

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees entitled to the charge.

Name ☒ EXPORT FINANCE AND INSURANCE CORPORATION ☒

Name

Name

Name

If there are more than four names, please supply any four of these names then tick the statement below.

☐ I confirm that there are more than four persons, security agents or trustees entitled to the charge.

MR01

Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Please limit the description to the available space.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

8

Trustee statement ¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

¹ This statement may be filed after the registration of the charge (use form MR06).

9

Signature

Please sign the form here.

Signature

Signature

X *Cadnolander, Wickesha & T-HUP* X

This form must be signed by a person with an interest in the charge.

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name George Pelling

Company name Cadwalader Wickersham & Taft LLP

Address 69 Old Broad Street

Dashwood House

Post town London

County/Region

Postcode E C 2 M 1 Q S

Country United Kingdom

DX

Telephone 0207 170 8569



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6839307

Charge code: 0683 9307 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th January 2018 and created by CALIX (EUROPE) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th January 2018.

(P)

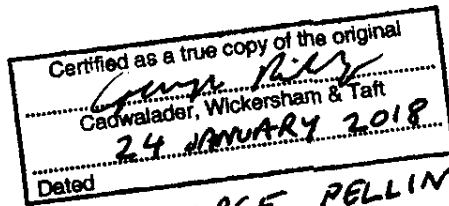
Given at Companies House, Cardiff on 29th January 2018



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



BY GEORGE PELLING
ASSOCIATE
CADWALADER, WICKERSHAM & TAFT LLP
DASHWOOD HOUSE, 69 OLD BROAD STREET,
LONDON
EC2M 1QS

Dated

24th January 2018

CALIX (EUROPE) LIMITED

and

EXPORT FINANCE AND INSURANCE CORPORATION

DEBENTURE

Cadwalader, Wickersham & Taft LLP
Dashwood House
69 Old Broad Street
London, EC2M 1QS

Tel: +44 (0) 20 7170 8700
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TABLE OF CONTENTS

		<u>Page</u>
1	DEFINITIONS AND INTERPRETATION	1
2	COVENANT TO PAY	6
3	GRANT OF SECURITY	6
4	LIABILITY OF THE CHARGOR	8
5	REPRESENTATIONS AND WARRANTIES	9
6	GENERAL COVENANTS	10
7	PROPERTY COVENANTS	14
8	INVESTMENTS COVENANTS	17
9	EQUIPMENT COVENANTS	20
10	BOOK DEBTS COVENANTS	21
11	AGREEMENTS COVENANTS	21
12	INTELLECTUAL PROPERTY COVENANTS	22
13	POWERS OF EFIC	22
14	WHEN SECURITY BECOMES ENFORCEABLE	24
15	ENFORCEMENT OF SECURITY	24
16	RECEIVER.....	27
17	POWERS OF RECEIVER	27
18	DELEGATION	30
19	APPLICATION OF PROCEEDS.....	31
20	COSTS AND INDEMNITY.....	32
21	FURTHER ASSURANCE	33
22	POWER OF ATTORNEY	33
23	RELEASE	33
24	ASSIGNMENT AND TRANSFER.....	34
25	SET-OFF.....	34

26	AMENDMENTS, WAIVERS AND CONSENTS.....	34
27	WAIVERS AND CONSENTS.....	35
28	SEVERANCE.....	35
29	COUNTERPARTS.....	35
30	THIRD PARTY RIGHTS.....	36
31	FURTHER PROVISIONS.....	36
32	NOTICES.....	37
33	GOVERNING LAW AND JURISDICTION.....	38
SCHEDULE 1		
	NOTICE AND ACKNOWLEDGEMENT - CONTRACT.....	40
SCHEDULE 2		
	NOTICE AND ACKNOWLEDGEMENT - INSURANCE POLICY.....	43
SCHEDULE 3		
	NOTICE AND ACKNOWLEDGEMENT - BANK ACCOUNT.....	47

THIS DEED is made on

24th January 2018 by and between

- (1) **CALIX (EUROPE) LIMITED** incorporated and registered in England and Wales with company number 06839307 whose registered office is at Old Library Chambers, 21 Chipper Lane, Salisbury, Wiltshire, SP1 1BG ("**Chargor**")
- (2) **EXPORT FINANCE AND INSURANCE CORPORATION** established under the Export Finance and Insurance Corporation Act 1991 (Cth) as a statutory corporation with Australian Business Number 96814 024 697 whose address is Level 10, Export House, 22 Pitt Street, Sydney, NSW 2000 Australia ("**EFIC**")

the Chargor and EFIC collectively referred to as the "**Parties**" (or, individually, a "**Party**").

WHEREAS:

- (A) EFIC has agreed to provide an export contract loan in favour of Calix Ltd pursuant to an export contract loan agreement dated on or about the date of this deed between, among others, Efic, Calix Ltd and the Chargor, constituted by the acceptance by the Obligors (as defined therein) of the Export Contract Loan Agreement – Offer Letter issued by Efic on or about 17 November 2017 (the "**Export Contract Loan Agreement**").
- (B) The Chargor has guaranteed the obligations of Calix Ltd, among others, under clause 22 of the Export Contract Loan Agreement.
- (C) In consideration of and as a condition to EFIC providing the said export contract loan under the Export Contract Loan Agreement, it has been agreed that the Chargor will enter into this Deed to secure the obligations of the Chargor under and in respect of the Export Contract Loan Agreement.

NOW, THEREFORE, the parties agree as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this deed:

"Administrator" an administrator appointed to manage the affairs, business and property of the Chargor pursuant to Clause 13.7.

"Book Debts" all present and future book and other debts, and monetary claims due or owing to the Chargor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Chargor in relation to any of them.

"Business Day" a day other than a Saturday, Sunday or public holiday when banks in London and Sydney, Australia are open for business.

"Delegate" any person appointed by EFIC or any Receiver pursuant to Clause 18 and any person appointed as attorney of EFIC, Receiver or Delegate.

“Designated Account” any account of the Chargor nominated by EFIC as a designated account for the purposes of this deed.

“Environment” the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

“Environmental Law” all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.

“Equipment” all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Chargor, including any part of it and all spare parts, replacements, modifications and additions.

“Export Contract Loan Agreement” has the meaning set out at the beginning of this Deed.

“Financial Collateral” has the meaning given to that expression in the Financial Collateral Regulations.

“Financial Collateral Regulations” the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*).

“Insurance Policy” each contract and policy of insurance effected or maintained by the Chargor from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Properties or the Equipment).

“Intellectual Property” the Chargor’s present and future patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

“Investments” all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Chargor, including any:

- (a) dividend, interest or other distribution paid or payable in relation to any of the Investments; and

- (b) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

“**LPA 1925**” the Law of Property Act 1925.

“**Permitted Security**” has the meaning given to “Permitted Security Interest” in the Export Contract Loan Agreement.

“**Properties**” all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Chargor, or in which the Chargor holds an interest, and “**Property**” means any of them.

“**Receiver**” a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by EFIC under Clause 16.

“**Secured Assets**” all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them).

“**Secured Liabilities**” all present and future monies, obligations and liabilities which at any time and for any reason and on any basis (whether arising under law or otherwise and whether or not contemplated by the parties to this deed):

- (a) the Chargor is or becomes actually or contingently liable to pay to Efic or for EFIC’s account;
- (b) EFIC has paid or advanced to or at the request of the Chargor;
- (c) the Chargor and EFIC agree will form part of the Secured Liabilities;
- (d) EFIC is entitled to debit to the Chargor’s account or is liable to pay by reason of any act or omission of the Chargor; or
- (e) are reasonably foreseeably that they may fall within paragraphs (a), (b), (c) or (d) above at any time.

and regardless of:

- (i) whether the Chargor is liable alone or with another person;
- (ii) the capacity in which the Chargor or EFIC became liable, or entitled to, the relevant amount;
- (iii) whether the Chargor is liable as principal debtor, surety or otherwise;
- (iv) whether the Chargor’s liability is ascertained or unascertained;
- (v) whether any amount or obligation is owed to EFIC in its capacity as assignee and despite when the assignment took place or whether the Chargor had notice of or consented to that assignment; and

- (vi) whether the Chargor incurred a liability on its own behalf or as trustee of any trust (and, if as trustee, regardless of whether or not the Chargor has a right of indemnity from the trust assets).

“Security Financial Collateral Arrangement” has the meaning given to that expression in the Financial Collateral Regulations.

“Security” any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

“Security Period” the period starting on the date of this deed and ending on the date on which EFIC is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

1.2 Interpretation

In this deed:

- (a) clause and Schedule headings shall not affect the interpretation of this deed;
- (b) a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to a party shall include that party’s successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (h) a reference to **writing** or **written** includes fax but not email;
- (i) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- (j) a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or

such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;

- (k) unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed;
- (l) any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (m) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- (n) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (o) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (p) a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been waived;
- (q) a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- (r) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Clawback

If EFIC considers that an amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.4 Nature of Security Over Real Property

A reference in this deed to a charge or mortgage of or over any Property includes:

- (a) all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;
- (b) the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;

- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Chargor in respect of that Property, and any monies paid or payable in respect of those covenants; and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

1.5 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Export Contract Loan Agreement are incorporated into this deed.

1.6 Perpetuity Period

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.7 Schedules

The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.

2 COVENANT TO PAY

The Chargor shall, on demand, pay to EFIC and discharge the Secured Liabilities when they become due.

3 GRANT OF SECURITY

3.1 Fixed Charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to EFIC by way of first fixed charge:

- (a) all Properties now held by the Chargor or acquired by the Chargor in the future;
- (b) all present and future interests of the Chargor not effectively mortgaged or charged under the preceding provisions of this Clause 3 in, or over, freehold or leasehold property;
- (c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- (d) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Chargor's business or the use of any Secured Asset, and all rights in connection with them;
- (e) all its present and future goodwill;
- (f) all its uncalled capital;

- (g) all the Equipment;
- (h) all the Intellectual Property;
- (i) all the Book Debts;
- (j) all the Investments;
- (k) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
- (l) all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, to the extent not effectively assigned under Clause 3.2; and
- (m) all its rights in respect of all agreements, instruments and rights relating to the Secured Assets, to the extent not effectively assigned under Clause 3.2.

3.2 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee assigns to EFIC absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- (a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy; and
- (b) the benefit of all agreements, instruments and rights relating to the Secured Assets.

3.3 Floating Charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to EFIC, by way of first floating charge, all the undertaking, property, assets and rights of the Chargor at any time not effectively charged or assigned pursuant to Clause 3.1 or Clause 3.2.

3.4 Qualifying Floating Charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 3.3.

3.5 Automatic Crystallisation of Floating Charge

The floating charge created by 3.3 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

- (a) the Chargor:

- (i) creates, or attempts to create, without the prior written consent of EFIC, Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed; or
- (ii) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Chargor.

3.6 Crystallisation of Floating Charge by Notice

EFIC may, in its sole discretion, at any time and by written notice to the Chargor, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by EFIC in that notice.

3.7 Assets Acquired after any Floating Charge has Crystallised

Any asset acquired by the Chargor after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless EFIC confirms otherwise to the Chargor in writing) be charged to EFIC by way of first fixed charge.

4 LIABILITY OF THE CHARGOR

4.1 Liability not Discharged

The Chargor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, EFIC that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) EFIC renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission that, but for this Clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Chargor.

4.2 Immediate Recourse

The Chargor waives any right it may have to require EFIC to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Chargor.

5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties

The Chargor makes the representations and warranties set out in this Clause 5 to EFIC.

5.2 Ownership of Secured Assets

The Chargor is the sole legal and beneficial owner of the Secured Assets.

5.3 No Security

The Secured Assets are free from any Security other than Permitted Security and the Security created by this deed.

5.4 No Adverse Claims

The Chargor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

5.5 No Adverse Covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

5.6 No Breach of Laws

There is no breach of any law or regulation that materially and adversely affects the Secured Assets.

5.7 No Interference in Enjoyment

No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use.

5.8 No Overriding Interests

Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any Property.

5.9 Avoidance of Security

No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise.

5.10 No Prohibitions or Breaches

There is no prohibition on assignment in any Insurance Policy or any other agreement or instrument binding on the Chargor or its assets and the entry into this deed by the Chargor does not, and will not, constitute a breach of any Insurance Policy or any other agreement or instrument binding on the Chargor or its assets.

5.11 Environmental Compliance

The Chargor has, at all times, complied in all material respects with all applicable Environmental Law.

5.12 Enforceable Security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Chargor, and is, and will continue to be, effective security overall and every part of the Secured Assets in accordance with its terms.

5.13 Investments

- (a) The Investments are fully paid and are not subject to any option to purchase or similar rights.
- (b) No constitutional document of an issuer of an Investment, nor any other agreement:
 - (i) restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this deed; or
 - (ii) contains any rights of pre-emption in relation to the Investments.
- (c) The Chargor has complied with all notices relating to all or any of the Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.
- (d) No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Investments.

5.14 Times for Making Representations and Warranties

The representations and warranties set out in Clause 5.2 to Clause 5.13 are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

6 GENERAL COVENANTS

6.1 Negative Pledge and Disposal Restrictions

The Chargor shall not at any time, except with the prior written consent of EFIC:

- (a) create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed or any Permitted Security;
- (b) sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured

Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or

- (c) create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 Preservation of Secured Assets

The Chargor shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by EFIC, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

6.3 Compliance with Laws and Regulations

- (a) The Chargor shall not, without EFIC's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.
- (b) The Chargor shall:
 - (i) comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them;
 - (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
 - (iii) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

6.4 Enforcement of Rights

The Chargor shall use its best endeavours to:

- (a) procure the prompt observance and performance of the covenants and other obligations imposed on the Chargor's counterparties (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy); and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets that EFIC may require from time to time.

6.5 Notice of Misrepresentation and Breaches

The Chargor shall, promptly on becoming aware of any of the same, notify EFIC in writing of:

- (a) any representation or warranty set out in 5 which is incorrect or misleading in any material respect when made or deemed to be repeated; and

- (b) any breach of any covenant set out in this deed.

6.6 Insurance

- (a) The Chargor shall insure and keep insured the Secured Assets against:
 - (i) loss or damage by fire or terrorist acts;
 - (ii) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Chargor; and
 - (iii) any other risk, perils and contingencies as EFIC may reasonably require.
- (b) Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to EFIC, and must include property owners' public liability and third party liability insurance and be for not less than the replacement value of the relevant Secured Assets (meaning in the case of any premises on any Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for shoring or propping up, demolition, site clearance and reinstatement with adequate allowance for inflation) and loss of rents payable by the tenants or other occupiers of the Property for a period of at least three years, including provision for increases in rent during the period of insurance
- (c) The Chargor shall, if requested by EFIC, produce to EFIC each policy, certificate or cover note relating to the insurance required by Clause 6.6(a).
- (d) The Chargor shall, if requested by EFIC, procure that a note of EFIC's interest is endorsed upon each insurance policy (other than public liability and third party liability insurances) maintained by it or any person on its behalf in accordance with 6.6(a) but without EFIC having any liability for any premium in relation to those Insurance Policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.

6.7 Insurance Premiums

The Chargor shall promptly pay all premiums in respect of each insurance policy maintained by it in accordance with 6.6(a) and do all other things necessary to keep that policy in full force and effect.

6.8 No Invalidation of Insurance

The Chargor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy maintained by it in accordance with 6.6(a).

6.9 Proceeds of Insurance Policies

All monies payable under any insurance policy maintained by it in accordance with 6.6(a) at any time (whether or not the security constituted by this deed has become enforceable) shall:

- (a) immediately be paid to EFIC;
- (b) if they are not paid directly to EFIC by the insurers, be held, pending such payment, by the Chargor as trustee of the same for the benefit of EFIC; and
- (c) at the option of EFIC, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

6.10 Notices to be given by the Chargor

The Chargor shall:

- (a) as so requested by EFIC from time to time:
 - (i) give notice to each counterparty to any agreement or instrument or rights relating to the Secured Assets in the form set out in *Part 1 of Schedule 1*; and
 - (ii) procure that each counterparty provides to EFIC within five Business Days an acknowledgement of the notice in the form set out in *Part 2 of Schedule 1*;
- (b) as so requested by EFIC from time to time:
 - (i) give notice to each insurer under an Insurance Policy in the form set out in *Part 1 of Schedule 2*; and
 - (ii) procure that each insurer provides to EFIC within five Business Days an acknowledgement of the notice in the form set out in *Part 2 of Schedule 2*; and
- (c) as so requested by EFIC from time to time:
 - (i) give notice to each bank, financial institution or other person (other than EFIC) with whom the Chargor holds an account (including each Designated Account) in the form set out in *Part 1 of Schedule 3*; and
 - (ii) procure that each such bank, financial institution or other person provides to EFIC within five Business Days an acknowledgement of the notice in the form of *Part 2 of Schedule 3*.

6.11 Information

The Chargor shall:

- (a) give EFIC such information concerning the location, condition, use and operation of the Secured Assets as EFIC may require;
- (b) permit any persons designated by EFIC and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- (c) promptly notify EFIC in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to EFIC's prior approval, implement those proposals at its own expense.

6.12 Payment of Outgoings

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to EFIC.

7 **PROPERTY COVENANTS**

7.1 Maintenance

The Chargor shall keep all premises and fixtures and fittings on each Property in good and substantial repair and condition.

7.2 Preservation of Property, Fixtures and Equipment

The Chargor shall not, without the prior written consent of EFIC:

- (a) pull down or remove the whole, or any part of, any building forming part of any Property or permit the same to occur;
- (b) make or permit any alterations to any Property, or sever or remove, or permit to be severed or removed, any of its fixtures; or
- (c) remove or make any alterations to any of the Equipment belonging to, or in use by, the Chargor on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

7.3 Conduct of Business on Properties

The Chargor shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

7.4 Planning Information

The Chargor shall:

- (a) give full particulars to EFIC of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority (**Planning Notice**) that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice; and
- (b) at its own expense, immediately on request by EFIC, and at the cost of the Chargor, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with EFIC in making, any objections or representations in respect of that Planning Notice that EFIC may desire.

7.5 Compliance with Covenants and Payment of Rent

The Chargor shall:

- (a) observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if EFIC so requires) produce evidence sufficient to satisfy EFIC that those covenants, stipulations and conditions have been observed and performed;
- (b) diligently enforce all covenants, stipulations and conditions benefiting each Property and shall not (and shall not agree to) waive, release or vary any of the same; and
- (c) (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions.

7.6 Payment Of Rent and Outgoings

The Chargor shall:

- (a) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- (b) pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Property or on its occupier.

7.7 Maintenance of Interests in Properties

The Chargor shall not, without the prior written consent of EFIC:

- (a) grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise, or agree to exercise, the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the Law of Property Act 1925; or

- (b) in any other way dispose of, surrender or create, or agree to dispose of surrender or create, any legal or equitable estate or interest in the whole or any part of any Property.

7.8 Registration Restrictions

If the title to any Property is not registered at the Land Registry, the Chargor shall procure that no person (other than itself) shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of all or any part of any Property without the prior written consent of EFIC. The Chargor shall be liable for the costs and expenses of EFIC in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

7.9 Development Restrictions

The Chargor shall not, without the prior written consent of EFIC:

- (a) make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or
- (b) carry out, or permit, or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 and the Planning Act 2008, or change or permit or suffer to be changed the use of any Property.

7.10 Environment

The Chargor shall:

- (a) comply with all the requirements of Environmental Law both in the conduct of its general business and in the management, possession or occupation of each Property; and
- (b) obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Law.

7.11 No Restrictive Obligations

The Chargor shall not, without the prior written consent of EFIC, enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property.

7.12 Proprietary Rights

The Chargor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property without the prior written consent of EFIC.

7.13 Inspection

The Chargor shall permit EFIC, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice.

7.14 Property Information

The Chargor shall inform EFIC promptly of any acquisition by the Chargor of, or contract made by the Chargor to acquire, any freehold, leasehold or other interest in any property.

7.15 VAT Option to Tax

The Chargor shall not, without the prior written consent of EFIC:

- (a) exercise any VAT option to tax in relation to any Property; or
- (b) revoke any VAT option to tax exercised, and disclosed to EFIC, before the date of this deed.

7.16 Registration At The Land Registry

The Chargor consents to an application being made by EFIC to the Land Registrar at any time for the following restriction in Form P to be registered against its title to each 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 [DATE] in favour of EXPORT FINANCE AND INSURANCE CORPORATION referred to in the charges register.”

8 INVESTMENTS COVENANTS

8.1 Deposit of Title Documents

- (a) The Chargor shall:
 - (i) as EFIC may direct, deliver to EFIC all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Chargor at that time; and
 - (ii) on the purchase or acquisition by it of Investments after the date of this deed as EFIC may direct deposit with EFIC, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.
- (b) At the same time as depositing documents with EFIC, or as EFIC may direct, in accordance with Clause 8.1(a), the Chargor shall also deposit with EFIC, or as EFIC may direct:
 - (i) all stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of the Chargor, but with the name of the transferee, the consideration and the date left blank; and

- (ii) any other documents (in each case duly completed and executed by or on behalf of the Chargor) that EFIC may request to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that EFIC may, at any time after the security under this deed has become enforceable and without notice to the Chargor, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.

8.2 Nominations

- (a) The Chargor shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:
 - (i) does not exercise any rights in respect of any Investments without the prior written approval of EFIC; and
 - (ii) immediately on receipt by it, forward to EFIC all communications or other information received by it in respect of any Investments for which it has been so nominated.
- (b) The Chargor shall not, during the Security Period at any time after the security under this deed has become enforceable, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.

8.3 Pre-Emption Rights and Restrictions on Transfer

The Chargor shall:

- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to EFIC or its nominee, or to a purchaser on enforcement of the security constituted by this deed; and
- (b) procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Investments in any manner that EFIC may require in order to permit the transfer of the Investments to EFIC or its nominee, or to a purchaser on enforcement of the security constituted by this deed.

8.4 Dividends and Voting Rights before Enforcement

- (a) Before the security constituted by this deed becomes enforceable, the Chargor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to EFIC or any of its nominees, EFIC will hold all those dividends, interest and

other monies received by it for the Chargor and will pay them to the Chargor promptly on request.

- (b) Before the security constituted by this deed becomes enforceable, the Chargor may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by EFIC of any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
 - (i) it shall not do so in any way that would breach any provision of this deed or for any purpose inconsistent with this deed; and
 - (ii) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in EFIC's opinion, have an adverse effect on the value of the Investments or otherwise prejudice EFIC's security under this deed.
- (c) The Chargor shall indemnify EFIC against any loss or liability incurred by EFIC (or its nominee) as a consequence of EFIC (or its nominee) acting in respect of the Investments at the direction of the Chargor.
- (d) EFIC shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that EFIC considers prejudicial to, or impairing the value of, the security created by this deed.

8.5 Dividends and Voting Rights after Enforcement

After the security constituted by this deed has become enforceable:

- (a) all dividends and other distributions paid in respect of the Investments and received by the Chargor shall be held by the Chargor on trust for EFIC and immediately paid into a Designated Account or, if received by EFIC, shall be retained by EFIC; and
- (b) all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, EFIC and the Chargor shall, and shall procure that its nominees shall, comply with any directions EFIC may give, in its absolute discretion, concerning the exercise of those rights and powers.

8.6 Calls on Investments

Notwithstanding the security created by this deed, the Chargor shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Chargor acknowledges that EFIC shall not be under any liability in respect of any such calls, instalments or other payments.

8.7 No Alteration of Constitutional Documents or Rights Attaching to Investments

The Chargor shall not, without the prior written consent of EFIC, amend, or agree to the amendment of:

- (a) the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or
- (b) the rights or liabilities attaching to, or conferred by, all or any of the Investments.

8.8 Preservation of Investments

The Chargor shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of the Investments that is not a public company shall not:

- (a) consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;
- (b) issue any new shares or stock; or
- (c) refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, EFIC or the Chargor in accordance with this deed.

8.9 Investments Information

The Chargor shall, promptly following receipt, send to EFIC copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

8.10 Compliance with Requests for Information

The Chargor shall promptly copy to EFIC and comply with all requests for information which are made under the Companies Act 2006 (including, without limitation, under sections 790D, 790E and 793 of the Companies Act 2006) relating to all or any part of the Secured Assets. If it fails to do so, EFIC may elect to provide such information as it may have on behalf of the Chargor.

9 **EQUIPMENT COVENANTS**

9.1 Maintenance of Equipment

The Chargor shall:

- (a) maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;

- (b) at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and
- (c) not permit any Equipment to be:
 - (i) used or handled other than by properly qualified and trained persons; or
 - (ii) overloaded or used for any purpose for which it is not designed or reasonably suitable.

9.2 Payment of Equipment Taxes

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to EFIC.

10 BOOK DEBTS COVENANTS

10.1 Realising Book Debts

- (a) The Chargor shall as an agent for EFIC, collect in and realise all Book Debts, at any time after the security under this deed has become enforceable pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for EFIC;
- (b) The Chargor shall not, without the prior written consent of EFIC, withdraw any amounts standing to the credit of any Designated Account at any time after the security under this deed has become enforceable.
- (c) The Chargor shall at any time after the security under this deed has become enforceable, if called on to do so by EFIC, execute a legal assignment of the Book Debts to EFIC on such terms as EFIC may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

10.2 Preservation of Book Debts

The Chargor shall not (except as provided by Clause 10.1 or with the prior written consent of EFIC) release, exchange, compound, set off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

11 AGREEMENTS COVENANTS

11.1 Agreements

- (a) The Chargor shall, unless EFIC agrees otherwise in writing, comply with the terms of any document, agreement or arrangement comprising the Secured Assets (other than the Insurance Policies).
- (b) The Chargor shall not, unless EFIC agrees otherwise in writing:

- (i) amend or vary or agree to any change in, or waive any requirement of;
- (ii) settle, compromise, terminate, rescind or discharge (except by performance); or
- (iii) abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to or other person in connection with,

any document, agreement or arrangement comprising the Secured Assets (other than the Insurance Policies).

12 INTELLECTUAL PROPERTY COVENANTS

12.1 Preservation of Rights

The Chargor shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

12.2 Maintenance of Intellectual Property

The Chargor shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

13 POWERS OF EFIC

13.1 Power to Remedy

- (a) EFIC shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this deed.
- (b) The Chargor irrevocably authorises EFIC and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by EFIC in remedying a breach by the Chargor of its obligations contained in this deed shall be reimbursed by the Chargor to EFIC on a full indemnity basis and shall carry interest in accordance with Clause 20.1.

13.2 Exercise of Rights

- (a) The rights of EFIC under Clause 13.1 are without prejudice to any other rights of EFIC under this deed.
- (b) The exercise of any rights of EFIC under this deed shall not make EFIC liable to account as a mortgagee in possession.

13.3 Power to Dispose of Chattels

- (a) At any time after the security constituted by this deed has become enforceable, EFIC or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any Property.
- (b) Without prejudice to any obligation to account for the proceeds of any disposal made under Clause 13.3(a), the Chargor shall indemnify EFIC and any Receiver against any liability arising from any disposal made under Clause 13.3(a).

13.4 EFIC has Receiver's Powers

To the extent permitted by law, any right, power or discretion conferred by this deed on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by EFIC in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

13.5 Conversion of Currency

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities, EFIC may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this Clause 13.5) from their existing currencies of denomination into any other currencies of denomination that EFIC may think fit.
- (b) Any such conversion shall be effected at Commonwealth Bank of Australia's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- (c) Each reference in this Clause 13.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

13.6 Indulgence

EFIC may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any such person is jointly liable with the Chargor) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this deed or to the liability of the Chargor for the Secured Liabilities.

13.7 Appointment of an Administrator

- (a) EFIC may, without notice to the Chargor, appoint any one or more persons to be an Administrator of the Chargor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.
- (b) Any appointment under this Clause 13.7 shall:
 - (i) be in writing signed by a duly authorised signatory of EFIC; and

- (ii) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- (c) EFIC may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this Clause 13.7 appoint a *replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.*

14 WHEN SECURITY BECOMES ENFORCEABLE

14.1 Security becomes Enforceable on demand

The security constituted by this deed shall become immediately enforceable on EFIC making a valid demand for payment of all or any of the Secured Liabilities.

14.2 Discretion

After the security constituted by this deed has become enforceable, EFIC may, in its absolute discretion, 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 Secured Assets.

15 ENFORCEMENT OF SECURITY

15.1 Enforcement Powers

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.
- (b) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under Clause 14.1.
- (c) Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

15.2 Extension of Statutory Powers Of Leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise EFIC and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Chargor, to:

- (a) grant a lease or agreement to lease;
- (b) accept surrenders of leases; or
- (c) grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Chargor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as EFIC or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

15.3 Access on Enforcement

- (a) At any time after EFIC has demanded payment of the Secured Liabilities or if the Chargor defaults in the performance of its obligations under this deed, the Chargor will allow EFIC or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where EFIC or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.
- (b) At all times, the Chargor must use its best endeavours to allow EFIC or its Receiver access to any premises for the purpose of Clause 15.3(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

15.4 Prior Security

At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, EFIC may:

- (a) redeem that or any other prior Security; or
- (b) procure the transfer of that Security to it;

15.5 Protection of Third Parties

No purchaser, mortgagee or other person dealing with EFIC, any Receiver or Delegate shall be concerned to enquire:

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- (b) whether any power EFIC, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- (c) how any money paid to EFIC, any Receiver or any Delegate is to be applied.

15.6 Privileges

Each Receiver and EFIC is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

15.7 No Liability as Mortgagee in Possession

Neither EFIC, any Receiver, any Delegate nor any Administrator shall be liable, by reason of entering into possession of a Secured Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

15.8 Conclusive Discharge to Purchasers

The receipt of EFIC, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, EFIC, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

15.9 Right of Appropriation

(a) To the extent that:

- (i) the Secured Assets constitute Financial Collateral; and
- (ii) this deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,

EFIC shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that EFIC may, in its absolute discretion, determine.

(b) The value of any Secured Assets appropriated in accordance with this clause shall be:

- (i) in the case of cash, the amount standing to the credit of each of the Chargor's accounts with any bank, financial institution or other person, together with all interest accrued but unposted, at the time the right of appropriation is exercised; and
- (ii) in the case of Investments, the price of those Investments at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method that EFIC may select (including independent valuation).

(c) The Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

16 RECEIVER

16.1 Appointment

At any time after the security constituted by this deed has become enforceable, or at the request of the Chargor, EFIC may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

16.2 Removal

EFIC may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

16.3 Remuneration

EFIC may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise discharged.

16.4 Power of Appointment Additional to Statutory Powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of EFIC under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

16.5 Power of Appointment Exercisable Despite Prior Appointments

The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by EFIC despite any prior appointment in respect of all or any part of the Secured Assets.

16.6 Agent of The Chargor

Any Receiver appointed by EFIC under this deed shall be the agent of the Chargor and the Chargor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of EFIC.

17 POWERS OF RECEIVER

17.1 General

- (a) Any Receiver appointed by EFIC under this deed shall, in addition to the powers conferred on it by statute, have the powers set out in Clause 17.2 to Clause 17.23.

- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.
- (c) Any exercise by a Receiver of any of the powers given by Clause 17 may be on behalf of the Chargor, the directors of the Chargor (in the case of the power contained in Clause 17.16) or itself.

17.2 Repair and Develop Properties

A Receiver may undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

17.3 Surrender Leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that it thinks fit.

17.4 Employ Personnel and Advisers

17.5 A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit. A Receiver may discharge any such person or any such person appointed by the Chargor.

17.6 Make VAT Elections

A Receiver may make, exercise or revoke any value added tax option to tax as it thinks fit.

17.7 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by it) that EFIC may prescribe or agree with it.

17.8 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which it is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

17.9 Manage or Reconstruct The Chargor's Business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor.

17.10 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

17.11 Sever Fixtures and Fittings

A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of the Chargor.

17.12 Sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which it is appointed in any manner, and generally on any terms and conditions, that it thinks fit.

17.13 Valid Receipts

A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

17.14 Make Settlements

A Receiver may make any arrangement, settlement or compromise between the Chargor and any other person that it may think expedient.

17.15 Bring Proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as it thinks fit.

17.16 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as it may think expedient.

17.17 Make calls on Chargor Members

A Receiver may make calls conditionally or unconditionally on the members of the Chargor in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Chargor on its directors in respect of calls authorised to be made by them.

17.18 Insure

A Receiver may, if it thinks fit, but without prejudice to the indemnity in Clause 20, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Chargor under this deed.

17.19 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if it had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

17.20 Borrow

A Receiver may, for any of the purposes authorised by this Clause 17, raise money by borrowing from EFIC (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any terms that it thinks fit (including, if EFIC consents, terms under which that security ranks in priority to this deed).

17.21 Redeem Prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

17.22 Delegation

A Receiver may delegate his powers in accordance with this deed.

17.23 Absolute Beneficial Owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights it would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets.

17.24 Incidental Powers

A Receiver may do any other acts and things that it:

- (a) may consider desirable or necessary for realising any of the Secured Assets;
- (b) may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or
- (c) lawfully may or can do as agent for the Chargor.

18 **DELEGATION**

18.1 Delegation

EFIC or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under Clause 22.1).

18.2 Terms

EFIC and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

18.3 Liability

Neither EFIC nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

19 APPLICATION OF PROCEEDS

19.1 Order of Application of Proceeds

All monies received by EFIC, a Receiver or a Delegate pursuant to this deed, after the security constituted by this deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

- (a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of EFIC (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;
- (b) in or towards payment of or provision for the Secured Liabilities in any order and manner that EFIC determines; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

19.2 Appropriation

Neither EFIC, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

19.3 Suspense Account

All monies received by EFIC, a Receiver or a Delegate under this deed:

- (a) may, at the discretion of EFIC, Receiver or Delegate, be credited to any suspense or securities realised account;
- (b) shall bear interest, if any, at the rate agreed in writing between EFIC and the Chargor; and
- (c) may be held in that account for so long as EFIC, Receiver or Delegate thinks fit.

20 COSTS AND INDEMNITY

20.1 Costs

The Chargor shall, within five Business Days of demand, pay to, or reimburse, EFIC and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by EFIC, any Receiver or any Delegate in connection with:

- (a) this deed or the Secured Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of EFIC's, a Receiver's or a Delegate's rights under this deed; or
- (c) taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Chargor) at the rate and in the manner specified by EFIC (acting reasonably).

20.2 Indemnity

The Chargor shall indemnify EFIC, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- (c) any default or delay by the Chargor in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this Clause 20.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

21 FURTHER ASSURANCE

21.1 Further Assurance

The Chargor shall, at its own expense, take whatever action EFIC or any Receiver may reasonably require for:

- (a) creating, perfecting or protecting the security intended to be created by this deed;
- (b) facilitating the realisation of any Secured Asset; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by EFIC or any Receiver in respect of any Secured Asset,

including, without limitation (if EFIC or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to EFIC or to its nominee) and the giving of any notice, order or direction and the making of any registration.

22 POWER OF ATTORNEY

22.1 Appointment of Attorneys

By way of security, the Chargor irrevocably appoints EFIC, every Receiver and every Delegate separately to be the attorney of the Chargor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- (a) the Chargor is required to execute and do under this deed; or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on EFIC, any Receiver or any Delegate.

22.2 Ratification of Acts Of Attorneys

The Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in Clause 22.1.

23 RELEASE

Subject to Clause 31.3, on the expiry of the Security Period (but not otherwise), EFIC shall, at the request and cost of the Chargor, take whatever action is necessary to:

- (a) release the Secured Assets from the security constituted by this deed; and
- (b) reassign the Secured Assets to the Chargor.

24 ASSIGNMENT AND TRANSFER

24.1 Assignment by EFIC

- (a) At any time, without the consent of the Chargor, EFIC may assign or transfer any or all of its rights and obligations under this deed.
- (b) EFIC may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Chargor, the Secured Assets and this deed that EFIC considers appropriate.

24.2 Assignment by Chargor

The Chargor may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

25 SET-OFF

25.1 EFIC's Right of Set-Off

EFIC may at any time set off any liability of the Chargor to EFIC against any liability of EFIC to the Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, EFIC may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by EFIC of its rights under this Clause 25 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

25.2 No Obligation to Set Off

The EFIC is not obliged to exercise its rights under Clause 25.1. If, however, it does exercise those rights it must promptly notify the Chargor of the set-off that has been made.

25.3 Exclusion of Chargor's Right Of Set-Off

All payments made by the Chargor to EFIC under this deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

26 AMENDMENTS, WAIVERS AND CONSENTS

26.1 Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

27 **WAIVERS AND CONSENTS**

- (a) A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- (b) A failure to exercise, or a delay in exercising, any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by EFIC shall be effective unless it is in writing.

27.2 Rights and Remedies

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

28 **SEVERANCE**

28.1 Severance

If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed.

29 **COUNTERPARTS**

29.1 Counterparts

- (a) This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- (b) Transmission of an executed counterpart of this deed (but for the avoidance of doubt not just a signature page) by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

30 **THIRD PARTY RIGHTS**

- 30.1 Except as expressly provided in Clause 20.2, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 30.2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

31 **FURTHER PROVISIONS**

31.1 Independent Security

The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that EFIC may hold for any of the Secured Liabilities at any time. No prior security held by EFIC over the whole or any part of the Secured Assets shall merge in the security created by this deed.

31.2 Continuing Security

The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until EFIC discharges this deed in writing.

31.3 Discharge Conditional

Any release, discharge or settlement between the Chargor and EFIC shall be deemed conditional on no payment or security received by EFIC in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

- (a) EFIC or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that EFIC deems necessary to provide EFIC with security against any such avoidance, reduction or order for refund; and
- (b) EFIC may recover the value or amount of such security or payment from the Chargor subsequently as if the release, discharge or settlement had not occurred.

31.4 Certificates

A certificate or determination by EFIC as to any amount for the time being due to it from the Chargor under this deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

31.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

31.6 Small Company Moratorium

Notwithstanding anything to the contrary in this deed, neither the obtaining of a moratorium by the Chargor under schedule A1 to the Insolvency Act 1986 nor the doing of anything by the Chargor with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

- (a) an event under this deed which causes any floating charge created by this deed to crystallise;
- (b) an event under this deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Chargor; or
- (c) a ground under this deed for the appointment of a Receiver.

32 NOTICES

32.1 Delivery

Each notice or other communication required to be given to a party under or in connection with this deed shall be:

- (a) in writing;
- (b) delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and
- (c) sent to:

- (i) the Chargor at:

Old Library Chambers
21 Chipper Lane
Salisbury, Wiltshire
United Kingdom
Email: dcharles@calix.com.au
Attention: Darren Charles

- (ii) EFIC at:

Level 10, Export House
22 Pitt Street
Sydney NSW 2000
Australia

Email: portfoliomanagement@efic.gov
Attention: Director: Portfolio Management

or to any other address or fax number as is notified in writing by one party to the other from time to time.

32.2 Receipt by Chargor

Any notice or other communication that EFIC gives to the Chargor shall be deemed to have been received:

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- (c) if sent by email when received in readable form.

A notice or other communication given as described in Clause 31.2(a) or Clause 31.2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

32.3 Receipt by EFIC

Any notice or other communication given to EFIC shall be deemed to have been received only on actual receipt.

32.4 Service of Proceedings

This Clause 32 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

33 GOVERNING LAW AND JURISDICTION

33.1 Governing Law

This deed and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

33.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this deed or its subject matter or formation. Nothing in this clause shall limit the right of EFIC to take proceedings against the Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

33.3 Other Service

The Chargor irrevocably consents to any process in any legal action or proceedings under Clause 33.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE 1
NOTICE AND ACKNOWLEDGEMENT - CONTRACT

Part 1 Form of notice

[On the letterhead of the Chargor]

[NAME OF COUNTERPARTY]
[ADDRESS LINE 1]
[ADDRESS LINE 2]
[POSTCODE]
[DATE]

Dear [NAME OF ADDRESSEE],

Debenture (Debenture) dated [DATE] between CALIX (EUROPE) LIMITED and EXPORT FINANCE AND INSURANCE CORPORATION

We refer to the [DESCRIBE RELEVANT AGREEMENT] (Contract).

This letter constitutes notice to you that under the Debenture we have [charged **OR** assigned, by way of security,] to EXPORT FINANCE AND INSURANCE CORPORATION (EFIC) all our rights in respect of the Contract.

We confirm that:

- We will remain liable under the Contract to perform all the obligations assumed by us under the Contract.
- None of EFIC, any delegate appointed by EFIC or any receiver will at any time be under any obligation or liability to you under or in respect of the Contract.

Neither the Debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Contract.

Subject to the above, we will remain entitled to exercise all our rights, powers and discretions under the Contract and you may continue to deal with us in relation to the Contract and give notices under the Contract to us unless and until you receive written notice to the contrary from EFIC. Thereafter, all such rights, powers and discretions shall be exercisable by, and notices shall be given to, EFIC or as it directs and we will cease to have any right to deal with you in relation to the Contract and you must deal only with EFIC.

Please note that we have agreed that we will not amend or waive any provision of or terminate the Contract without the prior written consent of EFIC.

The instructions in this notice may only be revoked or amended with the prior written consent of EFIC.

Please confirm that you agree to the terms of this notice, and to act in accordance with its provisions, by sending the attached acknowledgement to EFIC at [ADDRESS OF EFIC], with a copy to us.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours sincerely,

.....

CALIX (EUROPE) LIMITED

Part 2 Form of acknowledgement

[On the letterhead of the counterparty]

EFIC

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF ADDRESSEE],

Debenture (Debenture) dated [DATE] between CALIX (EUROPE) LIMITED and EXPORT FINANCE AND INSURANCE CORPORATION

We confirm receipt from **CALIX (EUROPE) LIMITED** (Chargor) of a notice (Notice) dated [DATE] of [a charge **OR** an assignment, by way of security,] of all the Chargor's rights under [DESCRIBE RELEVANT AGREEMENT] (Contract).

Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

- We accept the confirmations and instructions contained in the Notice and agree to comply with the Notice.
- There has been no amendment, waiver or release of any rights or interests in the Contract since the date of the Contract.
- We will not cancel, avoid, release or otherwise allow the Contract to lapse without giving EFIC at least 30 days' prior written notice.
- We have not, as at the date of this acknowledgement, received notice that the Chargor has assigned its rights under the Contract to a third party, or created any other interest (whether by way of security or otherwise) in the Contract in favour of a third party.
- EFIC will not in any circumstances have any liability in relation to the Contract.
- The Contract shall not be rendered void, voidable or unenforceable by reason of any non-disclosure by EFIC.

This letter, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours sincerely,

.....

[COUNTERPARTY]

SCHEDULE 2
NOTICE AND ACKNOWLEDGEMENT - INSURANCE POLICY
Part 1 Form of notice

[On the letterhead of the Chargor]

[NAME OF INSURANCE COMPANY]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF ADDRESSEE],

Debenture (Debenture) dated [DATE] between CALIX (EUROPE) LIMITED and EXPORT FINANCE AND INSURANCE CORPORATION

We refer to the [DESCRIBE INSURANCE POLICY AND SPECIFY ITS POLICY NUMBER] (Policy).

This letter constitutes notice to you that under the Debenture that we have [charged **OR** assigned, by way of security,] to EXPORT FINANCE AND INSURANCE CORPORATION (EFIC) all our rights in respect of the Policy (including all claims and all returns of premium in connection with the Policy).

We irrevocably instruct and authorise you to:

- [Note EFIC's interest on the Policy as [DESCRIBE NOTATION REQUIRED BY EFIC TO BE ENDORSED ON POLICY, FOR EXAMPLE, "FIRST MORTGAGEE"] and first loss payee.
- Comply with the terms of any written instructions received by you from EFIC relating to the Policy, without notice or reference to, or further authority from, us and without enquiring as to the justification or the validity of those instructions.
- Hold all sums from time to time due and payable by you to us under the Policy to the order of EFIC.
- Pay, or release, all monies to which we are entitled under the Policy to EFIC, or to such persons as EFIC may direct.
- Disclose information in relation to the Policy to EFIC on request by EFIC.

Neither the Debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Policy.

Subject to the foregoing, you may continue to deal with us in relation to the Policy until you receive written notice to the contrary from EFIC. Thereafter, we will cease to have any right to deal with you in relation to the Policy and you must deal only with EFIC.

The instructions in this notice may only be revoked or amended with the prior written consent of EFIC.

Please confirm that you agree to the terms of this notice and to act in accordance with its provisions by sending the attached acknowledgement to EFIC at [ADDRESS OF EFIC], with a copy to us.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours sincerely,

.....

CALIX (EUROPE) LIMITED

Part 2 Form of acknowledgement

[On the letterhead of the insurance company]

EFIC

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF ADDRESSEE],

Debenture (Debenture) dated [DATE] between CALIX (EUROPE) LIMITED and EXPORT FINANCE AND INSURANCE CORPORATION

We confirm receipt from CALIX (EUROPE) LIMITED (Chargor) of a notice (Notice) dated [DATE] of [a charge **OR** an assignment, by way of security,] of all the Chargor's rights under [DESCRIBE INSURANCE POLICY AND ITS NUMBER] (Policy).

Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

- We accept the instructions and authorisations contained in the Notice and agree to comply with the Notice.
- We have noted EFIC's interest on the Policy as [DESCRIBE NOTATION REQUIRED BY EFIC TO BE ENDORSED ON POLICY, FOR EXAMPLE, "FIRST MORTGAGEE AND FIRST LOSS PAYEE" OR AS "CO-INSURED"].
- There has been no amendment, waiver or release of any rights or interests in the Policy since the date the Policy was issued.
- We will not cancel, avoid, release or otherwise allow the Policy to lapse without giving EFIC at least 30 days' prior written notice.
- We have not, as at the date of this acknowledgement, received notice that the Chargor has assigned its rights under the Policy to a third party, or created any other interest (whether by way of security or otherwise) in the Policy in favour of a third party.
- EFIC will not in any circumstances be liable for the premiums in relation to the Policy.
- The Policy shall not be rendered void, voidable or unenforceable by reason of any non-disclosure by EFIC.

This letter, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation), shall be governed by and construed in accordance with the law of England and Wales.

SCHEDULE 3
NOTICE AND ACKNOWLEDGEMENT - BANK ACCOUNT

Part 1 Form of notice

[On the letterhead of the Chargor]

[BANK, FINANCIAL INSTITUTION OR OTHER PERSON]
[ADDRESS LINE 1]
[ADDRESS LINE 2]
[POSTCODE]
[DATE]

Dear [NAME OF ADDRESSEE],

Debenture (Debenture) dated [DATE] between CALIX (EUROPE) LIMITED and EXPORT FINANCE AND INSURANCE CORPORATION

This letter constitutes notice to you that under the Debenture that we have charged, by way of first fixed charge, in favour of EXPORT FINANCE AND INSURANCE CORPORATION (EFIC) all monies from time to time standing to the credit of the account held with you and detailed below (the Account), together with all other rights and benefits accruing to or arising in connection with the Account (including, but not limited to, entitlements to interest):

Name of Account: [NAME OF ACCOUNT]

Sort code: [SORT CODE]

Account number: [ACCOUNT NUMBER]

We irrevocably instruct and authorise you to:

- Disclose to EFIC any information relating to the Account requested from you by EFIC.
- Comply with the terms of any written notice or instructions relating to the Account received by you from EFIC.
- Hold all sums from time to time standing to the credit of the Account to the order of EFIC.
- Pay or release all or any part of the monies standing to the credit of the Account in accordance with the written instructions of EFIC.

We acknowledge that you may comply with the instructions in this notice without any further permission from us.

Until you are notified to the contrary by EFIC we are permitted to withdraw any amount from the Account without the prior written consent of EFIC.

The instructions in this notice may only be revoked or amended with the prior written consent of EFIC.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Please acknowledge receipt of this notice by sending the attached acknowledgement to EFIC at [ADDRESS OF EFIC], with a copy to us.

Yours sincerely,

Signed.....

CALIX (EUROPE) LIMITED

Part 2 Form of acknowledgement

[On the letterhead of the bank, financial institution or other person]

EFIC

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF ADDRESSEE],

Debenture (Debenture) dated [DATE] between CALIX (EUROPE) LIMITED and EXPORT FINANCE AND INSURANCE CORPORATION

We confirm receipt from CALIX (EUROPE) LIMITED (the Chargor) of a notice (the Notice) dated [DATE] of a charge (on the terms of the Debenture) over all monies from time to time standing to the credit of the account detailed below (the Account), together with all other rights and benefits accruing to or arising in connection with the Account (including, but not limited to, entitlements to interest).

We confirm that we:

- Accept the instructions contained in the Notice and agree to comply with the Notice.
- [Will not permit any amount to be withdrawn from the Account without your prior written consent.]
- Have not received notice of the interest of any third party in the Account.
- Have neither claimed nor exercised, nor will claim or exercise any security interest, set-off, counter-claim or other right in respect of the Account.

The Account is:

Name of Account: [NAME OF ACCOUNT]

Sort code: [SORT CODE]

Account number: [ACCOUNT NUMBER]

This letter, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours sincerely,

Signed.....

[NAME OF BANK, FINANCIAL INSTITUTION OR OTHER PERSON]

Executed as a deed by **CALIX (EUROPE)
LIMITED**


acting by DARREN CHARLES a director,
In the presence of:

Signature:

Name:

Address:

CL L T
EDWARD BARNETT
15 KOCORANGA PLACE
NORMANVILLE NSW 2076

.....


Director

Signed, sealed and delivered as a deed by
**EXPORT FINANCE AND INSURANCE
CORPORATION** pursuant to power of
attorney registered book 4511 number 792 and I
declare that I have not received any notice of
revocation of that power

Signature

of witness: _____

Name

of witness: _____

Address

of witness: _____

.....
Signature of attorney

.....
Name and title of attorney

Executed as a deed by **CALIX (EUROPE)**
LIMITED

.....

Director

acting by _____ a director,

In the presence of:

Signature: _____

Name: _____

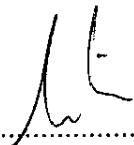
Address: _____

Signed, sealed and delivered as a deed by
EXPORT FINANCE AND INSURANCE
CORPORATION pursuant to power of
attorney registered book 4511 number 792 and I
declare that I have not received any notice of
revocation of that power

Signature of witness: Sasha Cotis

Name of witness: Sasha Cotis

Address of witness: Level 10, 22 Pitt St, Sydney NSW Australia


.....

Signature of attorney

Stuart Neilson
Chief Financial Officer

.....

Name and title of attorney