DEED OF PLEDGE ON A UNIVERSALITY OF MOVABLE PROPERTY

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This Deed of Pledge on a Universality of Movable Property (the “Agreement”) takes effect on [DATE],

**BETWEEN: [NAME OF YOUR COMPANY]** (the "Supplier"), a company organised and existing under the [COUNTRY] Law, with its head office located at:

 [YOUR COMPLETE ADDRESS]

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

 [COMPLETE ADDRESS]

WHEREAS Purchaser has requested that [YOUR COMPANY NAME] supply or continue to supply to Purchaser, on credit, certain products and [YOUR COMPANY NAME] has agreed to do so provided Purchaser executes and delivers this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, Purchaser hereby covenants and agrees with [YOUR COMPANY NAME] as follows:

**1. DEFINITIONS**

For the purposes of this Agreement, the following term shall have the following meaning:

1.1 “Products” means the movable property, present and future, forming part of the universality comprising all products purchased from [YOUR COMPANY NAME] and owned by the Purchaser and includes [DESCRIBE PRODUCTS] and which bear the trademark “[YOUR COMPANY NAME]” and other trademarks or trade names used by [YOUR COMPANY NAME] and includes all attachments, replacements, substitutions, supplies, accessories, accessions and additions thereto or therefore.

**2. PRINCIPAL PLEDGE**

As general and continuing security for payment of all monies owing or to be owing by Purchaser to [YOUR COMPANY NAME] and performance of all obligations of Purchaser to [YOUR COMPANY NAME], whether under this Agreement or any other agreement between the Parties, Purchaser hereby grants to and in favour of [YOUR COMPANY NAME] a pledge on the Products up to a capital amount of [AMOUNT] with interest at the rate of [%] per annum.

**3. PAYMENT**Purchaser covenants to pay [YOUR COMPANY NAME] for the Products in accordance with the terms in effect between them, as established from time to time. Notwithstanding, upon default under the terms of this Agreement, [YOUR COMPANY NAME] may declare all or any part of the monies owing to it to be immediately due and payable. All monies due shall bear interest at the rate of [%] per annum until payment has been made in full both before and after judgement  rendered thereon.

1. **PURCHASER’S COVENANTS**Purchaser covenants that the Products are being purchased as inventory for sale, lease or rent and are and shall be kept free and clear of all taxes, prior claims, pledges and charges, save for the pledge created herein, at Purchaser’s authorised premises. Purchaser further covenants to pay or cause to be paid all rents due on the premises wherein the Products are located and all assessments, taxes or rates which could result in the creation of a prior claim or legal pledge. [YOUR COMPANY NAME] and its representatives shall have reasonable access to the Products and any and all records, documents, papers, discs or programmes relating to or being records of the Products and their proceeds, to inspect them, at any reasonable time. The purchaser also agrees to furnish to [YOUR COMPANY NAME] such financial and operating information and statements as [YOUR COMPANY NAME] may request.
2. **INSURANCE**The purchaser, at his expense, shall keep the Products insured against loss or damage for their full replacement value with loss payable to Purchaser, [YOUR COMPANY NAME] and other interested Parties, as their respective interests may appear. Upon request, Purchaser shall provide [YOUR COMPANY NAME] with a certified copy of Purchaser’s insurance policy and any renewal thereof. Products, from date of shipment, shall be at Purchaser's risk and no loss, damage, destruction or confiscation of Products shall relieve, reduce or affect the liability of Purchaser hereunder. Purchaser shall immediately give written notice to [YOUR COMPANY NAME] of any loss or damage to the Products or any part thereof.
3. **ADDITIONAL PLEDGE**To ensure payment of any sum of money that is not secured by the principal pledge created hereinabove, in particular, the interest due beyond the current year and the [NUMBER] preceding years, interest on the interest, as well as all other expenses incurred by [YOUR COMPANY NAME] for the protection and enforcement of its pledgeary claim, including, without limitation, insurance premiums, taxes, legal and accounting expenses and other accessories, an additional pledge equivalent to [%] of the capital amount secured hereunder is granted by the Purchaser to and in favour of [YOUR COMPANY NAME] on the same Products.
4. **LAPSE OF TIME AND DEFAULT**Purchaser will be put into default merely by the lapse of time for fulfilling any of the obligations set out herein, without the necessity for any notice or formal putting into default.
5. **PLEDGES OR PRIOR CHARGES**Purchaser undertakes that the Products will at all times remain free of any prior claim, pledge or charge whatsoever which may take precedence over [YOUR COMPANY NAME]’s rights. Purchaser covenants, upon request and at its expense, to deliver to [YOUR COMPANY NAME] any waiver, assignment or cession of rank, acquittance or release which [YOUR COMPANY NAME] may deem necessary to preserve the priority of its rights in the Products pledged hereby.
6. **DEALING WITH PRODUCTS**For as long as it is not in default, the Purchaser may lease, sell or otherwise dispose of the Products destined for lease or sale, and retain the proceeds thereof, provided that same be in the ordinary course of business of the Enterprise and in order to ensure the continuation thereof. In case of default, the Purchaser may exercise such rights only with the consent of [YOUR COMPANY NAME] and on such conditions as [YOUR COMPANY NAME] may determine.
7. **PRESERVATION OF PRODUCTS**Purchaser undertakes to preserve the Products in good condition, without changing the destination thereof, and to take the care thereof that would a prudent and diligent person so as not to diminish [YOUR COMPANY NAME]’s security.
8. **TRANSFORMATION OF PRODUCTS**Purchaser shall not, without providing [YOUR COMPANY NAME] with prior written notice and subject to [YOUR COMPANY NAME]’s consent upon such conditions as it may establish, incorporate the Products with an immovable or allow the Products to be transformed, intermingled or united with one or more other movable properties so as to form a new property, unless such other movable properties belong in full and absolute ownership to Purchaser, are free of any prior claim, charge or pledge whatsoever and the new property is itself subject, by reason of its nature, to this pledge.
9. **FURTHER PLEDGES**If [YOUR COMPANY NAME] so requires, Purchaser covenants to grant thereto any additional pledge that [YOUR COMPANY NAME] may deem necessary or useful in order to maintain the value of the security granted hereunder.
10. **CONTINUATION OF THE ENTERPRISE**Purchaser covenants expressly and during the existence of this Agreement to continue the regular operation of the Enterprise and not to take any measure whatsoever for the purpose of terminating the business of the Enterprise or liquidating the assets thereof.
11. **DEFAULT**Purchaser shall be in default in the event that:

14.1 it defaults in the payment of any monies due to [YOUR COMPANY NAME] or in the performance of any covenants and obligations in this Agreement or any other agreement between [YOUR COMPANY NAME];

14.2 it removes or attempts to remove the Products out of the province otherwise than in the ordinary course of business of the Enterprise;

14.3 it fails to continuously carry on the business of the Enterprise as a going concern;

14.4 it attempts or makes a sale of its Enterprise (bulk sale) without the prior consent of [YOUR COMPANY NAME];

14.5 it assigns its property, is made bankrupt or is wound up, becomes insolvent, makes a proposal or avails itself of the Bankruptcy and Insolvency Act or the Companies’ Creditors Arrangement Act;

14.6 [YOUR COMPANY NAME], in good faith and on commercially reasonable grounds, considers itself insecure or is of the opinion that the Products and proceeds thereof are in danger of loss, damage, seizure or confiscation.

**15. REMEDIES ON DEFAULT**In the event of any case default, [YOUR COMPANY NAME] shall be entitled, in addition to its other rights and recourses under the law:

15.1 to demand the immediate payment of the aggregate of its debt, in capital, interest, expenses and accessories;

15.2 to perform any obligation not complied with by Purchaser, in its place and stead and at Purchaser’s expense; and

1. **REMEDIES CUMULATIVE**

[YOUR COMPANY NAME] may also enforce any other right or remedy it may have under the laws of [PROVINCE] or any other applicable law, which rights and remedies are cumulative and not alternative. [YOUR COMPANY NAME] shall not be liable for any delay or failure to enforce any rights or remedies available to it.

1. **GOVERNING LAW AND SEVERABILITY**

This Agreement shall be governed by, and construed in accordance with, the [COUNTRY] Law and the parties hereby submit to the jurisdiction of the courts of that province. Any provision of this Agreement prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.
2. **ACKNOWLEDGEMENT REUSE OF PRODUCTS**Purchaser represents and warrants that the Products do not and will not include any goods that furnish his ma*in re*sidence, are used by his household and are necessary for the life of such a household.
3. **ASSIGNMENT**The purchaser may not transfer or assign this Agreement or any part hereof without the prior written consent of [YOUR COMPANY NAME]. Notwithstanding, no transfer or assignment or any renewal of this Agreement shall relieve Purchaser of his obligations hereunder.
4. **FINAL PROVISIONS**Purchaser hereby acknowledges receipt of a copy of this Agreement and warrants that Purchaser’s name, as set forth herein is Purchaser’s full and correct legal name. Purchaser agrees to immediately advise [YOUR COMPANY NAME], in writing, of any change in Purchaser’s name or registered address. Time is of the essence of this Agreement. No consent to or waiver by [YOUR COMPANY NAME] of any breach or default by Purchaser shall constitute a consent to or waiver of any other breach or default or a consent to or waiver of the same breach or default on another occasion. Purchaser shall promptly execute and deliver such further documents as [YOUR COMPANY NAME] may request to carry out the intent and purpose of this Agreement. The recitals to this Agreement form an integral part hereof. Purchaser acknowledges there are no representations, warranties or conditions, express, implied or collateral, other than those set forth herein. Nothing herein shall obligate [YOUR COMPANY NAME] to sell or continue to sell Products to Purchaser.
5. **ENUREMENT**This Agreement shall ensure to the benefit of [YOUR COMPANY NAME] its successors and assigns and shall be binding upon Purchaser and its heirs, executors, administrators, successors, legal representatives and permitted assigns.

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

SUPPLIER PURCHASER

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title