

GENERAL TERMS AND CONDITIONS OF SECURITY OVER MOVABLE ASSETS

Definitions and interpretation

1. In these General Terms and Conditions of Security over Movable Assets (the “**Terms**”), unless the context otherwise requires, capitalised terms used herein shall have the meanings given to them in any Movable Assets Security Agreement (as defined below) and:
 - 1.1 “**Borrower**” has the meaning given in the relevant Finance Document.
 - 1.2 “**Enforcement Event**” means:
 - (i). if the relevant Finance Document contains events of default, the occurrence of an event of default; or
 - (ii). if the relevant Finance Document does not contain events of default, the Bank’s written demand.
 - 1.3 “**Finance Document**” means the applicable terms and conditions of any credit facility issued to the Borrower by the Bank.
 - 1.4 “**Movable Assets Security Law**” means UAE Federal Law No. 4 of 2020 Concerning Security of Rights Over Movable Property as amended, supplemented or replaced from time to time.
 - 1.1 “**Movable Assets Security Regulations**” means Cabinet Resolution No. 29 of 2021 Issuing the Executive Regulations of Federal Law No. 4 of 2020 and Cabinet Resolution No. 6 of 2018 Concerning the Creation of a Register for Registration of Rights on Movable Property, as each may be amended, supplemented or replaced from time to time.
 - 1.2 “**Movable Assets Security Agreement**” means any movable assets security agreement between the Bank and the Security Provider to which these Terms relate.
 - 1.3 “**Person in Possession**” means:
 - (i) any person or entity in possession of a Secured Asset, excluding the Security Provider; and
 - (ii) in respect of any bank account, the relevant bank identified in the Movable Assets Security Agreement.
 - 1.4 “**Proceeds**” means, in relation to a Secured Asset:
 - (i). any “Collateral Proceeds” as defined in Article 1 of the Movable Assets Security Law, including any in-kind or cash payment resulting from the disposition, realisation, execution against or usufruct of a Secured Asset or replacing it with another asset, or any compensation (including insurance proceeds from any insurance policies relating to the Secured Assets) obtained by the Security Provider, including as a result of depreciation or damage of that Secured Asset or any other similar compensation;
 - (ii). any proceeds of sale, transfer or other disposal, lease, licence, sub-licence, or agreement for sale, transfer or other disposal, lease, licence or sub-licence, of that Secured Asset;
 - (iii). any moneys or proceeds paid or payable deriving from that Secured Asset;
 - (iv). any rights, claims, guarantees, indemnities or security in relation to that Secured Asset;
 - (v). any awards or judgments in favour of the Security Provider in relation to that Secured Asset; and
 - (vi). any other assets deriving from, or relating to, that Secured Asset.
 - 1.5 “**Register**” has the meaning given to that term in the Movable Assets Security Law and includes any replacement register.
 - 1.6 “**Secured Assets**” means, in relation to a Movable Assets Security Agreement, each of the assets listed in the schedule to that Movable Assets Security Agreement (including, in relation to bank accounts, any re-designated, substituted, replacement or sub-account, all balances from time to time standing to the credit of or accrued or accruing on those bank accounts, including the right to receive payment of the debt constituted by such amounts, which are “payables” or “deposits” for the purposes of, and capable of being secured in accordance with, the Movable Assets Security Law) and, in each case, including any Proceeds.
 - 1.7 “**Secured Liabilities**” means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Borrower to the Bank under the Finance Documents (including, without limitation, all obligations and liabilities arising out of any extension, variation, modification, restatement or novation of such Finance Documents whatsoever)
 - 1.8 “**Security Provider**” has the meaning given in the relevant Movable Assets Security Agreement.

Provisions relating to security

2. The security contemplated by a Movable Assets Security Agreement:
 - 2.1 is continuing first priority security for the payment, discharge and performance of all the Secured Liabilities and will extend to the ultimate balance of all sums payable under the Finance Documents regardless of any intermediate payment or discharge in whole or in part; and
 - 2.2 is in addition to any other recourse or security the Bank has now or might have in the future in respect of Secured Liabilities.

Rights relating to proceeds

3. The Security Provider and the Bank agree that the security created over the Proceeds of the Secured Assets by this Agreement shall not expire after 15 business days of the date of collection of such proceeds in accordance with Article 11(2) of the Movable Assets Security Law.

Notices and acknowledgments

4. The Security Provider shall:
 - 4.1 give notice of the creation of the security in a form agreed with the Bank to each applicable Person in Possession;
 - 4.2 after the date of transfer of possession of a Secured Asset, give notice of the creation of the security to the new Person in Possession;
 - 4.3 as soon as reasonably practicable thereafter, provide the Bank with evidence that notice has been provided to each Person in Possession in accordance with paragraph (4.1) or (4.2) above; and
 - 4.4 procure that the Bank receives a duly completed acknowledgement from each applicable Person in Possession in a form agreed with the Bank.

If the Bank is the Person in Possession, any such notice shall be deemed to be given to, and acknowledged by, the Bank by it entering into the Movable Assets Security Agreement.

Registration

5. The Security Provider shall immediately on demand reimburse the Bank for any costs and expenses incurred by the Bank in connection with the registration (or amendment to a registration) of the security created by a Movable Assets Security Agreement in the Register.
6. The Security Provider shall not:
 - 6.1 object to, or take any action to object to, or challenge the effectiveness or validity of, the registration of the security over the Secured Assets in the Register; or
 - 6.2 take any steps to amend, cancel or remove the registration of the security over the Secured Assets in the Register.
7. For the purpose of the Movable Assets Security Regulations, the Security Provider agrees to the disclosure of any information relating to the Security Provider or any Movable Assets Security Agreement which may be necessary to register any Movable Assets Security Agreement in the Register in accordance with the provisions of the Movable Assets Security Law.
8. The Security Provider waives any right:
 - 8.1 of objection to registration of any Movable Assets Security Agreement on the Register;
 - 8.2 to be notified by the Bank on enforcement of any Movable Assets Security Agreement or procedures of execution against the Secured Assets;
 - 8.3 of termination of the security constituted by any Movable Assets Security Agreement that it may have under the Movable Assets Security Law including, without limitation, under Article 16 of the Movable Assets Security Law; and
 - 8.4 to claim indemnification from the Bank under Article 16(3) of the Movable Assets Security Law for any failure by the Bank to strike off the registration in the Register of the security created pursuant to any Movable Assets Security Agreement within the five (5) business day time limit mentioned in Article 16(2) of the Movable Assets Security Law.

Representations and Undertakings

9. In respect of the Secured Assets, the Security Provider:
 - 9.1 represents that it has full capacity to dispose of the Secured Assets and is duly authorised to create and grant the security interest contemplated by any Movable Assets Security Agreement;
 - 9.2 undertakes not to lend, sell, assign or otherwise dispose of or deal with any of the Secured Assets, except as permitted under the relevant Finance Documents;
 - 9.3 undertakes that if the Secured Assets include a bank account or accounts, not to withdraw any moneys from or otherwise operate the bank account(s) other than as permitted under the Finance Documents;
 - 9.4 undertakes not to take any action which may adversely affect the Bank's interest in the Secured Assets;

- 9.5 undertakes not to do or permit any act or thing to be done that may delay, prevent or adversely affect the recovery of any moneys payable under a Movable Assets Security Agreement; and
- 9.6 undertakes to promptly provide the Bank with a copy of any order, direction, requisition, notice or other communication in respect of any Secured Asset whether issued by an authority or any other person.

Exercise of rights of enforcement

10. Upon the occurrence of an Enforcement Event, the Bank shall be entitled, without court order and without giving prior notice to the Security Provider or obtaining the consent from the Security Provider in the name of the Security Provider or on behalf of the Security Provider, to exercise all the rights and remedies of a security holder in relation to the Secured Assets.
11. Nothing in paragraph 10 shall operate as a limit or exclusion of the Bank's liability in respect of a duty owed by the Bank to the Security Provider under applicable law, other than as permitted by applicable law.

No liability

12. The Bank shall not be liable for any losses (including loss of profits or losses arising from changes in the exchange rates) arising out of or in connection with the exercise or purported exercise of any of its rights under a Movable Assets Security Agreement nor for any omissions of any nature whatsoever in connection with any Secured Asset other than as may be due to the gross negligence or wilful default of the Bank.

Movable Assets Security Law

13. At any time after the occurrence of an Enforcement Event, the Bank shall have all the remedies, rights, powers, authorities and discretions conferred under the Movable Assets Security Law as security holder, as varied and extended by a Movable Assets Security Agreement, and these shall be immediately exercisable in such manner as the Bank deems fit.
14. The power to appropriate or offer to acquire a Secured Asset conferred by Article 26 (*Offering Collateral Ownership*) of the Movable Assets Security Law, as varied and extended by a Movable Assets Security Agreement, shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on the date of the relevant Movable Assets Security Agreement and shall be exercisable in accordance with paragraph 13 above.
15. The power to acquire a Secured Asset to enforce any part of the security over it created under a Movable Assets Security Agreement and to separate it from any other affixed property and sell it at the market price, without reference to the court (which power is conferred by Article 27 (*Obligee's Right to Individually Execute Against the Collateral*) of the Movable Assets Security Law, as varied and extended by the relevant Movable Assets Security Agreement) shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on the execution date of the relevant Movable Assets Security Agreement. Such power shall be exercisable in accordance with paragraph 13 above.
16. If the Bank is required to value any Secured Asset for the purposes of paragraphs 13 to 14 above, the value shall be the face value of the cash payable under that Secured Asset at the time of appropriation, execution or enforcement as converted, where necessary, into the currency in which the Secured Liabilities are denominated at a market rate of exchange prevailing at the time of appropriation, execution or enforcement selected by the Bank. The Bank and the Security Provider agree that the methods of valuation set out in this paragraph 16 are commercially reasonable.
17. The Bank has the right to do anything else it may deem fit for the preservation and/or realisation of any part of the Secured Assets or incidental to the exercise of any of the rights conferred on the Bank under or by virtue of any Finance Document or as conferred by the Movable Assets Security Law.
18. The Security Provider confirms that a Movable Assets Security Agreement constitutes notice to the Security Provider of, and the Security Provider irrevocably consents to, and authorises the Bank to have and to take any actions relating to, all the remedies, rights, powers, authorities and discretions conferred by the Movable Assets Security Law on secured parties, as varied and extended by the relevant Movable Assets Security Agreement.
19. The Bank shall hold the Secured Assets with all the same rights, title and interests in the Secured Assets as if it were in possession of the Secured Assets, in accordance with Article 5 (*Mortgage without Possession*) of the Movable Assets Security Law.
20. If the Bank or any delegate takes possession of the Secured Assets, it may at any time relinquish possession. Neither the Bank nor any delegate shall be liable, by reason of viewing or repairing any of the present or future assets of the Security Provider, as a secured party in possession.

Delegation

21. The Bank may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under a Movable Assets Security Agreement. Any such delegation may be made upon terms (including the power to sub-delegate) the Bank deems fit.
22. The Bank will not in any way be liable or responsible to the Security Provider for any loss, liability, cost, claim, action, demand or expense incurred or arising from any act, default, omission or misconduct on the part of any delegate.

23. References in a Movable Assets Security Agreement to the Bank shall be deemed to include references to any delegate of the Bank.

Immediate recourse

24. The Security Provider waives any right it may have of first requiring the Bank to proceed against or enforce any other rights or security or claim payment from any person before the Bank exercises its rights under a Movable Assets Security Agreement. This waiver applies irrespective of any law or any provision of the Finance Documents to the contrary.

Further Assurance

25. The Security Provider shall promptly do all such acts or execute all such documents (including assignments, transfers, notices and instructions) as the Bank may specify (and in such form as the Bank may reasonably require in favour of the Bank or its nominee(s)) to create, perfect and maintain the security created by this Movable Assets Security Agreement and/or to facilitate the realisation of any Secured Asset.

The Security Provider confirms having read, understood and agreed to the above Terms.

[EXECUTED BY

The Assignor

[insert name of Assignor]

Date: _____]¹

[EXECUTED BY

The Assignor

[insert name of authorised signatory]

[insert title of authorised signatory]

for and on behalf of

[insert full legal name of Assignor]

Date: _____]²

¹ Delete if the Assignor is a corporate.

² Delete if the Assignor is an individual.