

LOAN AGREEMENT BETWEEN LENDER AND BORROWER TO A COMPANY

(1) <<Name of Borrower'

(2) <<Name of Lender'

THIS AGREEMENT is dated and made between **_____** of **_____**

BETWEEN:

- (1) <<Name of Borrower>> (the "**Borrower**") of **_____** (Registered Number)>>and
<<Registered Address>> and **_____**
- (2) <<Name of Lender>> (the "**Lender**") of **_____** (Registered Number)>> of the Borrower of
<<Lender's Address>>.

NOW IT IS HEREBY AGREED as follows:

BACKGROUND

The Lender, being a <<Director>> of the Borrower, has agreed to provide the Borrower with a loan of £<< >> on a [secured] [unsecured] basis (the "**Loan**").

1. Definitions and Interpretation

1.1 In this Agreement:-

"Advance" means the sum of money made or to be made by the Lender to the Borrower under this Agreement;

"Business Day" means any day other than a Saturday, Sunday or public holiday on which banks in London are open for business;

"Commencement Date" means the date on which this Agreement;

"Drawdown Date" means the date on which an Advance is made;

"Drawdown Notice" means the notice given for the drawdown of an Advance in the form of Schedule 2;

"Event of Default" means any event or circumstance as specified in Schedule 3;

["Existing Security" means any security created or outstanding with the Lender at the date of the Lender;

"Finance Documents" means the Finance Documents, the Security Documents and any other documents designated as such by the Lender;

"Potential Event of Default" means any event or circumstances which would, on the occurrence of any grace period or termination under this Agreement, constitute an Event of Default;

"Repayment Date" means the dates specified in clause 7 for the repayment of the Advance by installments;

"Repayment Installment" means the installments specified in clause 7;

[“Security”

[“Security Documents”

“Tax Deduction”

“Unpaid Amount”

“Warranties”

1.2 Any reference in this Agreement shall be construed as a reference to the law of England and Wales, unless extended at the relevant time.

1.3 The headings in this Agreement are for convenience only and shall not affect the interpretation of the provisions.

2. The Facility

Subject to and in accordance with the terms of this Agreement, the Lender agrees to lend to the Borrower the principal sum of £<< >> under this Agreement.

3. Purpose

3.1 The Borrower shall use the Loan for <<Purpose for which the Loan is made>>.

3.2 The Lender is not required to verify how any amount under this Agreement is used.

4. Drawdown

Subject to clause 5 below:

4.1 The Loan is available to the Borrower in [not more than << >> Advances] [one Advance] on the Drawdown Date.

4.2 The Lender shall pay the Loan to the Borrower in immediately available cleared funds on the Drawdown Date, to or for the account of the Borrower following receipt of the Drawdown Notice.

4.3 Delivery of the Drawdown Notice by the Borrower shall constitute a representation and warranty that the Drawdown Date, the proposed Loan and that no Event of Default or Potential Event of Default will result from the proposed Loan.

4.4 The Drawdown Notice shall be made without the written consent of the Lender.

4.5 Any payment which shall be made on the Drawdown Date shall be made on the Drawdown Date.

charge, debenture, charge (whether legal or equitable), pledge, lien, or any other security, title retention or any other arrangement having a similar effect to that of a mortgage.

Documents attached under Schedule 3:]

or withholding for, or on account of, any payment under the Finance Act 1992.

amount which is not paid on the Drawdown Date under this Agreement;

Representations and Warranties set out at Schedule 3.

or a provision of a statute shall be construed as a reference to the law of England and Wales, unless extended at the relevant time.

convenience only and shall not affect the interpretation of the provisions.

the Lender agrees to lend to the Borrower the principal sum of £<< >> under this Agreement and subject to the conditions of this Agreement.

by it under this Agreement for <<Purpose for which the Loan is made>>.

verify how any amount under this Agreement is used.

Borrower in [not more than << >> Advances] [one Advance] on the Drawdown Date.

to the Borrower in immediately available cleared funds on the Drawdown Date, to or for the account of the Borrower following receipt of the Drawdown Notice.

ute a representation and warranty that the Drawdown Date, the proposed Loan and that no Event of Default or Potential Event of Default will result from the proposed Loan.

without the written consent of the Lender.

day which is not a Business Day shall be made on the Drawdown Date.

on a daily basis shall be calculated by.

5. [CONDITIONS PRECEDENT]

- 5.1 The Lender's obligation to advance the Loan, and the Borrower's right to draw down the Loan, is subject to the Lender having received the following documents in a form and substance satisfactory to the Lender:
- 5.1.1 [a copy of the documents];
 - 5.1.2 a copy of any documents which enable the Borrower to execute, perform and discharge its obligations under this agreement;
 - 5.1.3 a sample of the documents required to consent in clause 5.1.2 above;
 - 5.1.4 [the Borrower's written statements];
 - 5.1.5 [any other documents in the Lender's opinion or assurance which the Lender considers necessary to be taken into, and permitted under, the Agreement].

6. Interest

- 6.1 The Loan shall bear interest at the rate of << >> percent.
- 6.2 Interest shall be calculated on the balance outstanding from the Commencement of the Loan until the Loan is paid in full, and will be charged to the Borrower [monthly].
- 6.3 In the event of a default under the Loan, said interest rate shall apply to the total of principal and interest from the date of default.

7. Repayments

- 7.1 The Borrower shall repay the Loan in accordance with Schedule 1.
- 7.2 The Borrower may not prepay the Loan which has been repaid.

8. Payments

All payments made by the Borrower under this Agreement shall be made in full without set-off or counterclaim to the Lender at <<Insert account details, including account number, branch name, and address>> or any other account as the Lender may notify the Borrower.

9. Value Added Tax

All consideration expressed in the Loan Agreement shall be exclusive of any VAT.

10. [Security]

The Borrower agrees to execute and deliver to the Lender the security documents attached to the Loan by executing those documents (the "Security Documents") and From time to time the Lender may demand, and the Borrower shall deliver, all such documents which are

reasonably necessary to protect the security interests.]

11. [Representations and Warranties]

The Borrower represents and warrants:

- 11.1 [The Borrower is a duly incorporated entity validly existing under the law of its jurisdiction of incorporation and the Borrower has the power to use its assets and carry on the business being conducted, and to execute, deliver and perform the obligations under the Finance Documents and the transactions contemplated hereby.]
- 11.2 [The Borrower is the owner of and has good title to all its assets and no Security exists in respect of any of them except for the Existing Security.]
- 11.3 The Borrower has taken all necessary steps to obtain and obtained all required or desirable consents to deliver and perform its obligations under this Agreement and all documents and instruments admissible in evidence in its jurisdiction of incorporation and the transactions are in full force and effect.
- 11.4 The information, in whatever form, supplied by the Borrower to the Lender in connection with this Agreement was, at the time it was supplied, to the best of the Borrower's knowledge:
 - 11.4.1 complete, true and accurate in all material respects at the time it was supplied; and
 - 11.4.2 not misleading in any material respect, nor rendered misleading by a failure to disclose any material facts.
- 11.5 Each set of financial statements submitted to the Lender by the Borrower were prepared in accordance with the applicable accounting principles, standards and practices and present the Borrower's financial position and operations during the relevant accounting period fairly and accurately.
- 11.6 No litigation, arbitration or proceedings are taking place, pending or threatened against it or any of its assets.
- 11.7 No Event of Default has occurred or will occur when an Advance is made.
- 11.8 There has been no material change in the business or financial condition of the Borrower since the last date of the last Financial Statement Agreement.]

12. [Covenants]

The Borrower covenants and warrants:

- 12.1 [The Borrower shall not create, in favour of any third party, any Security over its assets, except for the Existing Security.]
- 12.2 The Borrower shall not create, in favour of any third party, any Security over its assets other than:
 - 12.2.1 trading stock in the ordinary course of business;
 - 12.2.2 assets whose value does not exceed £<< >>.
- 12.3 The Borrower shall not create, in favour of any third party, any Security over its assets (other than as permitted by 12.2) if such Security is a Potential Event of Default or Event of Default (and the Borrower shall, to remedy it) promptly on

- becoming aware of it
- 12.4 [The Borrower shall [audited] financial statements for the financial year.]
- 12.5 [The Borrower shall s
- 12.5.1 details of any administrative proceedings which are current, t against the Lender as soon as it becomes awa
- 12.5.2 any further i financial condition, business and operations of rder may reasonably request.]]

13. [Events of Default

The Loan plus accrued inte service of notice from the Lender to the Borrower) become i able by the Borrower, in so far as remaining unpaid, if an Eve

Each of the events or circums an Event of Default.

13.1 The Borrower fails to y it under the Finance Documents when due, unless its solely by an administrative error or technical problem an n << >> Business Days of its due date.

13.2 The Borrower fails (c y) to comply with any provision of the Finance Docume considers, acting reasonably, that the default is capabl ult is not remedied within << >> days of:-

13.2.1 the Borrower default; or

13.2.2 the Lender r of the default and the remedy required,

Whichever is the earl

13.3 Any representation, v ade, repeated or deemed made by the Borrower in, or p Documents is (or proves to have been) incomplete, u eading when made, repeated or deemed made.

13.4 Any indebtedness of when due; or

13.4.1 any indebtedr pable of being declared due, prior to its stated m ult; or

13.4.2 [any expropri estration, distress, execution or enforcement of the Borrower's assets.]

13.5 An event or circums ause 13.4 shall not constitute an Event of Default if th the indebtedness is less than £<< >>.

13.6 Any action, proceedin taken in relation to:

13.6.1 the suspensio up, dissolution, administration or reorganisation tary arrangement, scheme of arrangement of rder; or

13.6.2 the appointm ceiver, administrator, compulsory manager or o spect of the Borrower or any of its assets.

- 13.7 [Any Security on or over the property of the Borrower becomes enforceable and is not discharged with the commencement of the proceedings.]
- 13.8 Where any event of default (whether or not it exists) which, in the reasonable opinion of the Lender, has or may have occurred and adversely affect the ability of the Borrower to perform its obligations under, or otherwise comply with, the terms of the Finance Documents.]
- 14. Assignment and Transfer**
- 14.1 The Lender may assign or transfer any of its rights or obligations by novation.
- 14.2 The Borrower may not assign or transfer its rights or obligations under the Finance Documents.
- 15. Set-Off**
- 15.1 The Lender may set off against any sums owing the Lender under this Agreement against any sums owing the Lender.
- 15.2 The Lender shall not be bound by any rights given to it under this clause.
- 16. Remedies, Waivers, Amendments**
- 16.1 Any amendment to this Agreement must be in writing and signed by or on behalf of each party.
- 16.2 Any waiver of any right under this Agreement is only effective if it is in writing and signed by or on behalf of the Lender and consenting party, and applies only in the circumstances specified in the writing.
- 16.3 No delay or failure to exercise a right under this Agreement shall operate as a waiver of that right.
- 16.4 No single or partial exercise of a right under this Agreement shall prevent any further exercise of the right under this Agreement.
- 16.5 Rights and remedies under this Agreement are cumulative and not exclusive of any other rights or remedies available at law or otherwise.
- 17. Severance**
- If any provision of this Agreement is held by a competent authority to be invalid or unenforceable in whole or in part, the other provisions of this document shall not be affected thereby.
- 18. Third Party Rights**
- A person who is not a party to this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 shall have no rights under this Agreement.
- 19. Communications**
- 19.1 All communications between the Lender and the Borrower shall be in writing and delivered by hand or by post or sent by fax or e-mail:
- 19.1.1 (in the case of the Lender) to its registered office or such change of address as may be notified to the Borrower by the Lender; or

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19.1.2 (in the case of the Lender) to the registered office of the Lender (or any other office of the Lender) or (in any other case) to any address of the Lender specified in the document which forms part of the Contract or such other address as may be notified to the Lender by the Borrower.

19.2 Communications shall be deemed to have been received:

19.2.1 if sent by post, two Business Days after posting (exclusive of the day of posting);

19.2.2 if delivered by hand, the day of delivery; or

19.2.3 if sent by fax or email, one Business Day prior to 4.00 pm, at the time of transmission and on the next Business Day.

19.3 Communications addressed to the Lender shall be marked for the attention of <<Name of Person>>.

20. Governing Law and Jurisdiction

This Deed shall be governed by and enforced in accordance with the law of England and Wales to which the parties hereto submit.

IN WITNESS OF WHICH the parties to this agreement the day and year first above written.

Signed by <<Name>> for and on behalf of the Lender <<Name of Lender>>
the Borrower <<Name of Borrower>>

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SCHEDULE 1
Repayment Schedule

Loan Amount: £<<
Interest payable: £<<
Charge for credit: £<<
Commencement Date: <<D

Repayment Date	Capital remaining	payment	Interest Repayment
<<Date>>	<<Loan Ar		
<<Date>>			
<<Date>>			
<<Date>>			
<<Date>>			
<<Date>>			
<<Date>>			
<<Date>>			

SCHEDULE 2
Drawdown Notice

To: [<<Insert Name of Lender>>]

From: [<<Insert Name of Borrower>>]

Date: [<<Insert Date>>]

Re: Loan Agreement dated [<<Insert Date>>] between the Lender and the Borrower for an amount of up to [<<Insert Amount>>]

between the Lender and the

We refer to the Loan Agreement and the terms defined meanings when used in the

Loan Agreement shall have their

We request to drawdown the Loan

Amount: [<<Insert Relevant Amount>>]

Drawdown Date: [<<Insert Relevant Date>>]

Payment instructions: [<<Insert Relevant Instructions>>]

s>>]

We represent and warrant that the information provided in the Loan Agreement are true and correct [in all material respects] as at the date of this notice and will be true and correct [in all material respects] immediately after the date of this notice.

the Loan Agreement are true and correct [in all material respects] as at the date of this notice and will be true and correct [in all material respects] immediately after the date of this notice.

We confirm that no Event of Default has occurred as at the date of this notice or will result from the drawdown of the Loan.

default has occurred as at the date of this notice or will result from the drawdown of the Loan.

We acknowledge that this Drawdown Notice is being invoked without the written consent of the Lender.

invoked without the written consent of the Lender.

Signed by <<Name>> for and on behalf of the Borrower <<Name of Borrower>>

Signed by the Lender <<Name of Lender>>

SCHEDULE 3
[Security Documents]

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