

LOAN AGREEMENT BETWEEN LENDER AND BORROWER TO A COMPANY

(1) <<Name of Borrower>>

(2) <<Name of Lender>>

THIS AGREEMENT is dated and made between

BETWEEN:

- (1) <<Name of Borrower>> (the “Borrower”) of <<Registered Address>> and <<Registered Number>> and
- (2) <<Name of Lender>> (the “Lender”) of <<Lender's Address>> of the Borrower of

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”	the sum of money made or to be made by the Lender under this Agreement;
“Business Day”	any day other than a Saturday, Sunday or public holiday on which banks in London are open for business;
“Commencement Date”	the date on which this Agreement is entered into;
“Drawdown Date”	the date on which an Advance is made;
“Drawdown Notice”	the notice given for the drawdown of an Advance in accordance with the form of Schedule 2;
“Event of Default”	any event or circumstance as specified in Schedule 1;
[“Existing Security”	any security created or outstanding with the Lender of the Lender;]
“Finance Documents”	the Finance Documents, the Security Documents and any other documents designated as such by the Lender;
“Potential Event of Default”	any event or circumstances which would, on the expiry of any grace period or termination under this Agreement, constitute an Event of Default;

“Repayment	ns each of the dates specified in clause 7 for ving the Loan by installments;
“Repayment	ns each of the installments specified in clause 7;
[“Security”	ns any mortgage, debenture, charge (whether or floating, legal or equitable), pledge, lien, nment by way of security, title retention or any type of arrangement having a similar effect to of them;]
[“Security De	ns the documents attached under Schedule 3;]
“Tax Deduct	ns a deduction or withholding for, or on account tax from a payment under the Finance ments;
“Warranties”	ns the Representations and Warranties set out at e 11.

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2. The Facility

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3. Purpose

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4. Drawdown

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- 4.5 Any payment shall be made on a day which is not a Business Day. Any interest or other amount accruing on a day which is not a Business Day shall be calculated accordingly.
5. **[CONDITIONS]**
- 5.1 The Lender's obligation to make [the Advance] [each Advance] and the Borrower's obligation to pay the Advance, is subject to the Lender having received satisfactory evidence in a form and substance satisfactory to the Lender of:
- 5.1.1 [the existence of the constitutional documents];
- 5.1.2 [the execution of the documents required to enable the Borrower to execute, and discharge its obligations under this agreement];
- 5.1.3 [the execution of the documents of each person required to consent in clause 5.1];
- 5.1.4 [the availability of the latest available financial statements];
- 5.1.5 [the receipt of a certificate, opinion, document, opinion or assurance which the Lender considers necessary [or desirable] in connection with the entry into, and the carrying out of, the transactions contemplated by this Agreement].
6. **Interest**
- 6.1 The Loan shall bear interest at the rate of [a] [an] [annual] [monthly] [daily] rate of << >> percent per annum.
- 6.2 Interest shall be payable [daily] [monthly] on the balance outstanding from time to time. Interest on the Loan is repaid in full, and will be charged to the Borrower [daily] [monthly] in arrears.
- 6.3 In the event of default, the aforesaid interest rate shall apply to the total of the principal and interest due at the time of default.
7. **Repayment**
- 7.1 The Borrower shall repay the Loan in installments in accordance with Schedule 1.
- 7.2 The Borrower shall not prepay any part of the Loan which has been repaid.
8. **Payments**
- All payments due to the Lender under this Agreement shall be made in full on the due date for that payment in the account of the Lender at <<Insert account number, sort code and address>> or any other account notified to the Borrower.
9. **Value Added Tax**
- All consideration payable under a Finance Document by the Borrower to the Lender shall be exclusive of any VAT.
10. **[Security]**
- The Borrower shall secure the repayment of the Loan by executing those documents as Schedule 3 (the "Security Documents") and

shall deliver
demand, and
reasonably

to the Lender. From time to time the Lender may
execute, additional loan documents which are
Lender's security interests.].

11. [Representations]

The Borrower represents and warrants as follows:

11.1 [The Borrower is a duly incorporated company validly existing under the law of
its jurisdiction; and] The Borrower has the power to use its
assets in the business as it is being conducted, and to execute,
deliver and perform its obligations under the Finance Documents and the
transactions contemplated by them.

11.2 [The Borrower is the beneficial owner of and has good title to all its
assets over its assets except for the Existing Security.]

11.3 The Borrower has taken all necessary action and obtained all required or
desirable approvals to execute, deliver and perform its obligations
under this Agreement and to make this Agreement admissible in evidence in its
jurisdiction and any such authorisations are in full force and effect.

11.4 The information supplied by the Borrower to the Lender in electronic format, supplied by the Borrower to the
Lender in connection with the Facility and this Agreement was, at the time it
was supplied, true and correct to the best of the Borrower's knowledge:

11.4.1 The information was accurate in all material respects at the time it was

11.4.2 The information was not materially false in any material respect, nor rendered misleading by a
omission of material information,

except insofar as it has been amended, superseded or updated by more
recent information supplied by the Borrower to the Lender.

11.5 Each statement delivered to the Lender by the Borrower were
prepared in accordance with consistently applied accounting principles,
standards and practices generally accepted in its jurisdiction of incorporation,
and prepared fairly and accurately reflecting the financial condition and operations during the
relevant period.

11.6 No litigation, administrative proceedings are taking place, pending
or, to the best of the Borrower's knowledge, threatened against it or any of its assets.

11.7 No Event of Default, is continuing or will occur when an Advance
is made.

11.8 There has been no adverse change in the business or financial
condition of the Borrower since the date of this Agreement.].

12. [Covenants]

The Borrower covenants and warrants to the Lender as follows:

12.1 [The Borrower shall not create, or permit to subsist, any Security over its
assets other than the Existing Security.]

12.2 The Borrower shall not sell, lease, transfer or otherwise dispose of any of its
assets

12.2.1 in the ordinary course of business;

12.2.2 where the net book value is worth less than £<< >>.

- 12.3 The Borrower shall, upon becoming aware of any Potential Event of Default or Event of Default (including taken, if any, to remedy it) promptly on the Lender its [audited] financial statements for the financial year ending on the date of the Event of Default.
- 12.4 [The Borrower shall submit to the Lender its [audited] financial statements for the financial year ending on the date of the Event of Default.]
- 12.5 [The Borrower shall submit to the Lender:
- 12.5.1 [The Borrower shall submit to the Lender:
- 12.5.2 [The Borrower shall submit to the Lender:
13. **[Events of Default]**
- The Loan payable by the Borrower to the Lender (subject to the service of notice from the Lender to the Borrower) shall be due and payable by the Borrower, in so far as it remains unpaid, on the date of the Event of Default.
- Each of the events set out below is an Event of Default.
- 13.1 The Borrower fails to pay any sum payable by it under the Finance Documents when due, or when due by reason of default, if the payment is caused solely by an administrative error or technicality, and the payment is not made within << >> Business Days of its due date.
- 13.2 The Borrower fails to pay any sum payable by it under the Finance Documents (a failure to pay) to comply with any provision of the Finance Documents if the Lender considers, acting reasonably, that the failure to pay is caused solely by an administrative error or technicality and such default is not remedied within << >> Business Days of its due date.
- 13.2.1 The Borrower fails to pay any sum payable by it under the Finance Documents (a failure to pay) to comply with any provision of the Finance Documents if the Lender considers, acting reasonably, that the failure to pay is caused solely by an administrative error or technicality and such default is not remedied within << >> Business Days of its due date.
- 13.2.2 The Borrower fails to pay any sum payable by it under the Finance Documents (a failure to pay) to comply with any provision of the Finance Documents if the Lender considers, acting reasonably, that the failure to pay is caused solely by an administrative error or technicality and such default is not remedied within << >> Business Days of its due date.
- Which shall constitute an Event of Default.
- 13.3 Any representation or statement made, repeated or deemed made by the Borrower, or any officer, director, employee, agent, or representative of the Borrower, in connection with the Finance Documents is (or proves to have been) false, incorrect or misleading when made, repeated or deemed made.
- 13.4 Any indebtedness of the Borrower is not paid when due; or
- 13.4.1 Any indebtedness of the Borrower is not paid when due; or
- 13.4.2 Any indebtedness of the Borrower is not paid when due; or
- 13.5 An event of default referred to in Clause 13.4 shall not constitute an Event of Default if the amount of the indebtedness is less than £<< >>.
- 13.6 Any action or step is taken in relation to:
- 13.6.1 Any action or step is taken in relation to:

- 13.6.2 [Any S... liquidator, receiver, administrator, compulsory
ar officer in respect of the Borrower or any of its
- 13.7 [Any S... sssets of the Borrower becomes enforceable and
is not c... s of enforcement commencing.]
- 13.8 Where... (circumstances exist) which, in the reasonable
opinion... o materially and adversely affect the ability of the
Borrow... of its obligations under, or otherwise comply with,
the ter... nents or any of them.]
14. **Assignment**
- 14.1 The L... of its rights, or transfer any of its rights or
obligat...
- 14.2 The B... any of its rights or obligations under the Finance
Docum...
15. **Set-Off**
- 15.1 The L... amounts due under this Agreement against any
sums o... e Borrower.
- 15.2 The L... ed to exercise any rights given to it under this
clause
16. **Remedies, Waivers and Consents**
- 16.1 Any an... ment shall be in writing and signed by or on behalf
of each...
- 16.2 Any w... sent given under this Agreement is only effective
if it is i... ne waiving and consenting party and applies only
in the c... t is given.
- 16.3 No del... any right under this Agreement shall operate as a
waiver
- 16.4 No sin... any right under this Agreement shall prevent any
further... any other right under this Agreement.
- 16.5 Rights... s Agreement are cumulative and not exclusive of
any ot... ovided by law or otherwise.
17. **Severance**
- If any provis... held by any competent authority to be invalid or
unenforceab... e validity of the other provisions of this document
and the rem... question shall not be affected thereby.
18. **Third Party**
- A person w... is Agreement shall have no rights under this
Agreement p... (Rights of Third Parties) Act 1999.
19. **Communication**
- 19.1 All cor... ne parties about the loan shall be in writing and
delivered... e-paid first-class post or sent by fax or e-mail:

19.1.1 Communications to the Lender) to its registered office or as shall be notified to the Borrower by the

19.1.2 Communications to the Borrower) to the registered (if it is a company) or (in any other case) to any set out in any document which forms part of the address as shall be notified to the Lender by the

19.2 Communications to be received to have been received:

19.2.1 By first class post, two Business Days after posting (posting); or

19.2.2 By the day of delivery; or

19.2.3 On a Business Day prior to 4.00 pm, at the time of delivery on the next Business Day.

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

20. **Governing Law**

This Deed shall be construed and enforced in accordance with the law of England and Wales.

IN WITNESS OF Where the Borrower has signed this agreement the day and year first above written.

Signed by <<Name of Borrower>>
the Borrower <<Name of Borrower>>

Signed by the Lender <<Name of Lender>>

SCHEDULE 1
Repayment Schedule

Loan Amount:

Interest payable:

Charge for credit:

Commencement Date:

Repayment Date	Capital Repayment	Interest Repayment
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		

SCHEDULE 2
Drawdown Notice

To: [<<Insert Name>>] Borrower
From: [<<Insert Name>>] Lender
Date: [<<Insert Date>>]
Re: Loan Agreement [<<Insert Date>>] made between the Lender and the Borrower for an amount of [<<Insert Amount>>]

We refer to the Loan Agreement defined in the Loan Agreement shall have their defined meanings within this Drawdown Notice.

We request to draw down the sum of:

Amount: [<<Insert Amount>>]
Drawdown Date: [<<Insert Date>>]
Payment instruction: [<<Insert Account Details>>]

We represent and warrant that the facts as set out in the Loan Agreement are true and correct [in all material respects] in the context of this notice and will be true and correct [in all material respects] in the context of the proposed Advance.

We confirm that no Material Event of Default has occurred as at the date of this notice or will occur in the future.

We acknowledge that this notice cannot be revoked without the written consent of the Lender.

Signed by <<Name of Borrower>> the Borrower <<Name of Borrower>>	Signed by the Lender <<Name of Lender>>
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SCHEDULE 3
[Security Document]

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