

THIS MEMORANDUM OF UNDERSTANDING is a loan guarantee and is dated and

the **HEADS OF TERMS** ("HOT") for

BY:

(1) <<Name of Borrower>> [a company registered in England under number <<Company Registration Number>> with its registered office at] ("Borrower") and

England under number <<Company Registration Number>> with its registered office at] **OR** [of] <<insert Address>>

(2) <<Name of Lender>> [a company registered in England under number <<Company Registration Number>> with its registered office at] ("Lender") and

England under number <<Company Registration Number>> with its registered office at] **OR** [of] <<insert Address>>

(3) <<Name of Guarantor>> [a company registered in England under number <<Company Registration Number>> with its registered office at] **[AND** <<Name of Guarantor>> [a company registered in England under number <<Company Registration Number>> with its registered office at] **OR** [of] <<insert Address>>] [together] ("Guarantor")

registered in England under number <<Company Registration Number>> with its registered office is at] **OR** [of] <<insert Address>>] [together] ("Guarantor")

1. Definitions

In this HOT, the following expressions shall have the following meanings:

the following meanings:

"Guarantee"

the Guarantee described in Clause 3 and the Detailed Terms of this HOT;

"Detailed Terms"

the Detailed Terms, conditions, and provisions set out in the Guarantee, including the Commercial Terms if and when agreed and set out in the Guarantee;

"Commercial Terms"

the Commercial Terms of the Guarantee which are set out in the Detailed Terms of this HOT being those terms which the Parties have agreed in principle. The definitive version of the Commercial Terms, if and when agreed, will be set out in the Detailed Terms in the Guarantee;

"Loan"

the Loan to be made by the Lender to the Borrower on the above date under an agreement which may be separate from the Guarantee;

"Party"

the Parties to this HOT;

2. Purpose and Status of the Guarantee

2.1 Except for Clauses 1 and 2, this Memorandum of Understanding and HOT is not intended to create a legally binding contract.

(which is not legally binding on the Parties), this Memorandum of Understanding and HOT is not intended to be legally binding on the Parties;

2.2 The Parties have discussed the Commercial Terms in principle, but they have not yet agreed the definitive version of the Commercial Terms. The Parties agree all of the other terms of the Guarantee.

The Parties have discussed the Commercial Terms in principle, but they have not yet agreed the definitive version of the Commercial Terms. The Parties agree to fully discuss, negotiate, draft, and agree all of the other terms of the Guarantee.

S

A

M

P

L

E

S

2.3 The Parties intend to negotiate, draft, and execute a written Guarantee containing the terms and conditions set forth in Clause 6 of this HOT, only if there is no other agreement between them which

this HOT, they will fully discuss, negotiate, draft, and execute the Terms, and will sign a full written Guarantee, and that, save for Clauses 5 and 6, the only terms and conditions that come into existence will be those set forth in any guarantee arrangements entered into by them as a contract; and

2.4 The Parties agree that no oral or written statement, warranty, promise, or agreement made by either Party on or after the date of this HOT shall have any effect in relation to the proposed guarantee arrangements unless it is agreed and included as an express term of the

agreed in Clause 6 of this HOT, no oral or written statement, warranty, promise, or agreement (negligent or otherwise), and no agreement (whether before, on, or after the date of this HOT) shall have any effect in relation to the proposed guarantee arrangements unless it is agreed and included as an

3. Guarantee

The Guarantee will be a full and complete agreement whereby Guarantor will guarantee the performance of the Loan which is expressly covered by the Detailed Terms. The Guarantee shall be subject to the working arrangements, unless otherwise agreed in writing, relating to such guarantee arrangements as set forth in a separate loan agreement

the agreement between the Parties covering the Loan (and any other amount guaranteed by the Borrower to the Lender on or after the date of and the only terms, conditions, and matters governing, forming, and comprising the Guarantee of the Parties (other than the terms of the Loan and the Borrower).

4. Commercial Terms

The following Commercial Terms shall apply to the Guarantee and they will form part of the Detailed Terms:

the principle, and the definitive version of the Guarantee:

4.1 The Guarantee will be made on the date of the Lender and Borrower's agreement for the Loan;

agreed date>>] [the date on which the agreement for the Loan;

4.2 The amount of the Loan shall be the sum of money>>;

of money>>;

4.3 The above amount shall not be increased or varied during the agreement [but for the sum of money>>];

not] be increased or varied during the agreement [insert amount or percentage>>];

4.4 [The Guarantee will not cover any amount/s borrowed by the Borrower before, on or after the date of the Guarantee ("Total Amount Guaranteed")];

and will not cover any other or further amount/s borrowed by the Borrower before, on or after the date of the Guarantee ("Total Amount Guaranteed")];

OR

[The Guarantee will cover the sum of money>> borrowed by the Borrower [before] [or [on] [or] [after] the date of the agreement between the Lender to the Borrower ("Total Amount Guaranteed")];

together with any other or further amount/s borrowed by the Borrower [before] [or [on] [or] [after] the date of the agreement between the Lender to the Borrower ("Total Amount Guaranteed")];

4.5 The Guarantor will not be liable for the Loan for no more than the Total Amount Guaranteed;

Guarantee for no more than the Total Amount Guaranteed;

4.6 The Guarantor must pay interest on the Loan at a rate above the base rate of the Lender from the date of the Guarantee from the date of the Guarantee and will not be limited or with

under at [<<insert percentage>>% above the base rate of the Lender (<<insert bank>> on sums claimed under the Guarantee from the date of the Guarantee. The interest payable will not be limited or with

4.7 The Guarantor is [not] required to provide security for the Loan. [The security will

provide security for the Loan. [The security will

A

M

P

L

E

S

4.8 The Lender will [not] take any action, obtain any judgment, or enforce any right of the Lender against the Borrower before making a claim against the Guarantor;

A

4.9 The Lender must give a period of time, i.e. state the relevant number of days or weeks, to the Guarantor in the event that the Borrower defaults on the Loan and the Lender intends to make a claim under the Guarantee;

4.10 [The Lender may not enforce the Guarantee against the Guarantor unless and until the Guarantor has repaid the Loan <<insert period of time or number of days or weeks>>];

4.11 [Since the Guarantor is a natural person or other entities, their liability will be joint and several];

4.12 The Lender will [not] notify the Guarantor with notice once the Loan is repaid; and

M

4.13 The Guarantee will be assigned to the Borrower [only with the prior consent of the Borrower] will [not] be assignable by the Borrower [only with the prior consent of the Lender]. [Prior notice of intention to assign of [at least 30 days] to the Borrower].

5. Ongoing Discussion and Negotiation

5.1 The Parties will not be bound to continue or complete their discussions or negotiations to produce, or sign any Guarantee;

5.2 Nevertheless, but without prejudice to the Parties' intention to do so, the Parties intend in good faith to continue their discussions and to sign a Guarantee as soon as reasonably possible;

5.3 Either Party may, by notice in writing to the other, at any time and for any reason, and without liability to the other, terminate their discussions or negotiations and the Guarantee between them, and thereupon cease; and

5.4 If a Guarantee is entered into, it shall supersede and replace this HOT but, subject to Clause 5.3.

6. Confidentiality and Data Protection

P

6.1 Each Party ("the First Party") shall not disclose or make available to the First Party any confidential information concerning the business, affairs, customers, clients, or other Party which is or might be relevant to a Guarantee ("Confidential Information"), the First Party shall not disclose or make available Confidential Information for any purpose other than the negotiation or negotiation of a guarantee or recording of it in a Guarantee;

L

6.2 None of the Parties shall disclose or make available to either of the Other Parties any Confidential Information. However, in connection with their discussions and negotiations to a proposed Guarantee, the Parties anticipate that they may disclose or make available Confidential

E

S

A

M

P

L

E

- Information to each
- 6.3 None of the Parties shall be liable to the Other Parties for any inaccuracy or omission in any Confidential Information that it supplies or makes available to the Other Parties;
- 6.4 If at any time any Party provides Confidential Information to the Other Party, the Other Party shall do so promptly and shall destroy any copies it has made of the same; and
- 6.5 Each Party acknowledges that damages alone would be an inadequate remedy for breach of this Clause 6, and that an injunction, specific performance or other equitable relief, should be awarded against the defaulting Party in the event of an actual breach by it of this Clause 6 without prejudice to any other remedies that any Party may have in relation to such breach;
- 6.6 In this Clause 6
 - 6.6.1 "Data Protection Legislation" means the Data Protection Act 1998 (as amended) and any subsequent legislation which replaces or amends it;
 - 6.6.2 "GDPR" means the General Data Protection Regulation (EU) 2016/679 General Data Protection Regulation; and
 - 6.6.3 "personal data" means personal data as defined in the Data Protection Legislation.
- 6.7 If in connection with the performance of this Agreement or otherwise processed by or on behalf of the First Party or the other Parties ("Confidential Information")
 - 6.7.1 for the purposes of the negotiation, discussion, negotiation, drafting, and execution of the Agreement and entering into the Guarantee;
 - 6.7.2 in accordance with the requirements of the Data Protection Legislation and the rights under the Data Protection Legislation of each of the Other Parties and the First Party; and
 - 6.7.3 in accordance with the requirements of the Privacy Notice. A copy of each of the Privacy Notices is available on the First Party's website and is provided to the Other Parties on or before the date of the execution of this Agreement.
- 6.8 Any personal data transferred to the Other Party in connection with the performance of this Agreement shall be shared only in accordance with the terms of a Data Sharing Agreement entered into by the First Party and that such sharing occurs.

7. Law and Jurisdiction

- 7.1 This HOT, and the negotiations between the Parties in connection with a proposed or actual Guarantee shall be governed by, and shall be subject to the jurisdiction of, the laws of England and Wales; [and]

7.2 [Subject to Clause
between any or all of
Guarantee shall fall
[and]

controversy, proceedings or claim
his HOT or the proposed or actual
the courts of England and Wales;

7.3 [Any dispute, cont
Parties relating to th
with by means of
follows: <<set out
resolution and/or ar

claim between any or all of the
or actual Guarantee is to be dealt
solution] [and/or] [arbitration] as
g details of alternative dispute

Attach a copy of each Part

referenced in Clause 6.7.3

EITHER

[SIGNED on the above date for and
By <<Name and Title of person sig

ame of Borrower>>:

Authorised Signature]

OR

[SIGNED on the above date by <<

>>

Signature]

AND

EITHER

[SIGNED on the above date for and
By <<Name and Title of person sig

ame of Lender>>:

Authorised Signature]

OR

[SIGNED on the above date by <<

Signature]

AND

EITHER

[SIGNED on the above date for and on behalf of <<Name of Guarantor 1>>:

By <<Name and Title of person signing>>

[Authorised Signature]

OR

[SIGNED on the above date by <<Name of Guarantor 1>>

[Signature]

[AND

EITHER

[SIGNED on the above date for and on behalf of <<Name of Guarantor 2>>:

By <<Name and Title of person signing>>

[Authorised Signature]

OR

[SIGNED on the above date by <<Name of Guarantor 2>>

[Signature]]

S

A

M

P

L

E