

Term Sheet
[Principal Amount]

To:

[<<The Board of Directors>>]
[<<Name & Address of Borrower>>]

[<<Insert Date>>]

Dear <<Insert Name>>,

Further to our recent discussions, we are pleased to be able to extend to you (as Borrower) a loan facility on and subject to the conditions as set out below (the Loan). This letter confirms the understanding between us and our mutual understanding with respect to the terms of the Loan. We should be grateful if you would sign, date and return to us the Letter of Confirmation by the end of this letter by <<Insert Date>> as confirmation of your agreement to the terms on which it is being made available to you as set out below.

The principal terms of the Loan are:

1. Details of the Loan Facility

Amount of the loan: <<£ amount>>

Loan Date: <<Insert Date>>

Final Repayment Date: <<Insert Date>>

Loan Availability: The Loan shall be made available to you in <<one>> tranche on the Loan Date in immediately available funds.

Secured/Unsecured: <<Unsecured>>

2. Purpose

2.1 The purpose for which the Loan is made available to you is <<State Purpose>>.

2.2 We will not verify or audit the use of the Loan is used by you.

3. Interest and Default Interest

Interest rate: The Loan shall bear an interest rate of << >> % [annual] [monthly] [daily] rate of

¹ The assumption is that the loan is being made available to you on a non-recourse basis.

Interest is to be calculated from the Loan Date to the Final Repayment Date as detailed in the Loan Agreement.

Interest Repayment Dates, which interest payments will be made, this may be monthly or quarterly, ending with the Final Repayment Date>>.

If there is any default in payment of principal and interest due at the time of the Final Repayment Date, the interest shall apply to the total principal and interest due at the time of the Final Repayment Date.

4. Repayment

[EITHER

You shall repay the Loan by a single repayment on the Final Repayment Date.

OR

You shall repay the Loan by instalments on each of the repayment dates set out in the appendix to the Loan Agreement.

5. Representations and Warranties

By signing and returning this Loan Agreement, you confirm to us that:

- a) [you are a duly incorporated company or an individual who is of legal age and has the capacity to enter into the Loan;
- b) you have taken all necessary steps to allow you to enter into the Loan;
- c) the obligations in this Loan Agreement are, legal, binding and enforceable against you;
- d) the obligations in this Loan Agreement are not in breach of any laws and regulations applicable to you and your business;
- e) any information you have provided to us in connection with the Loan is complete, true, accurate and not misleading in any material respect; and
- f) the financial statements and other documents provided to us have been prepared in accordance with generally accepted accounting principles and represent a true and accurate view of your financial position.

6. Default

If any of the following events occur, the Loan shall become immediately due and payable:

- a) non-payment by you of any instalment of principal and interest within <<seven>> days from the date of the due date of the instalment.

the balance outstanding from the Loan shall become immediately due and payable to us on each Interest Repayment Date.

which interest payments will be made, this may be monthly or quarterly, ending with the Final Repayment Date>>.

the interest shall apply to the total principal and interest due at the time of the Final Repayment Date.

single repayment on the Final Repayment Date.

instalments on each of the repayment dates set out in the appendix to the Loan Agreement.

you confirm to us that:

- a) [you are a duly incorporated company or an individual who is of legal age and has the capacity to enter into the Loan;
- b) you have taken all necessary steps to allow you to enter into the Loan;
- c) the obligations in this Loan Agreement are, legal, binding and enforceable against you;
- d) the obligations in this Loan Agreement are not in breach of any laws and regulations applicable to you and your business;
- e) any information you have provided to us in connection with the Loan is complete, true, accurate and not misleading in any material respect; and
- f) the financial statements and other documents provided to us have been prepared in accordance with generally accepted accounting principles and represent a true and accurate view of your financial position.

accrued interest shall (subject to a court order) become immediately due and payable to us on each Interest Repayment Date.

including interest) within <<seven>> days from the date of the due date of the instalment.

- b) any information or documents or presentation made by you or at your request proving to be incorrect;
- c) you being unable to obtain an administration order or make any voluntary arrangements or moratoriums (within the meaning of the Insolvency Act 1986);
- d) an enforcement officer, a receiver, a receiver and manager, or a receiver is appointed, over any of your property;
- e) the Loan being in default as specified above [; and
- f) your death.

7. Miscellaneous

- a) Payments made by you to us in connection with the Loan shall be made in sterling and paid on the due date for that payment in sterling to the account details set out below: <<Insert Account Details>> (Account Number, Sort Code and Address)>> or any other account notified to us in writing.
- b) Set-Off. We shall have the right to set off against any sums owed to us by you any amounts due under the Loan against any sums owed to you by us.
- c) Assignment. You shall not assign, transfer, charge, or otherwise dispose of any of our rights hereunder, or transfer any of our obligations hereunder, by novation, however you may not assign any of our obligations hereunder.
- d) Communications. Communications between us shall be in writing and delivered by email or first class post. Notices shall be deemed delivered if delivered by hand, when sent if by email [and if sent by email, on the [third] business day following mailing]
- e) Failure to exercise. Our failure, delay or omission by us in exercising any right, power or remedy provided by law or under this letter shall operate as a waiver of that right, power or remedy, nor shall it preclude or restrict any future exercise of that right, power or remedy.

8. Governing Law

This letter and the Loan shall be governed by the law of England and Wales arising out of, or in connection with it, its subject matter or formation (including contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales. The courts of England and Wales shall have jurisdiction to settle any dispute or claim arising out of, or in connection with, the Loan or its subject matter or formation.

Yours faithfully,

<<Name & Title>>
For and on behalf of

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OF ACCEPTANCE

Letterhead of Borrower]

To:

[<<The Board of Directors>>

[<<Name & Address>>

[<<Insert Date>>]

Dear <<Insert Name>>

Subject: Loan Facility

We refer to your letter of <<Insert Date>> (a copy of which is enclosed), in which you offered to extend a loan facility of up to <<£ amount>> on the terms and subject to the conditions as set out in the offer.

We confirm that we accept your offer on the terms and conditions as set out.

Yours faithfully,

<<Name & Title>>

[For and on behalf of]

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APPENDIX

Repayment Schedule

Loan Amount:

Loan Date:

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Repayment Date	Interest Repayment	Balance of Loan remaining
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		
<<Date>>		