

**DATED << Date >>**

**LOAN AGREEMENT**

Between

**(1) << Name of Director >> 'The Borrower'**

and

**(2) << Name of Company >> 'The Lender'**

**THIS AGREEMENT IS MADE** the << day >> day of << month >> <<Year>>

**BETWEEN:**

- (1) << Name of Director >> (the “Borrower”) of << Address >> and
- (2) << Name of Company >> (the “Lender”), a company incorporated in England & Wales with company number << Company number >> and whose registered office is situated at << Registered Address >>.

**NOW IT IS HEREBY AGREED** as follows:

**1. Background**

The Borrower is [connected with] a director of the Lender. The Lender has agreed to provide the Borrower with a loan of £<< amount >> on a unsecured basis.

**2. Definitions and Interpretation**

2.1 In this Agreement:-

<b>“Advances”</b>	means an advance made or to be made by the Lender to the Borrower under this Agreement;
<b>“Commencement Date”</b>	means the date of this Agreement;
<b>“Event of Default”</b>	means any event or circumstances as specified in clause 12;
<b>“Property”</b>	means the whole or any part of the property, assets, income and undertaking of the Borrower from time to time;
<b>“Repayment Date”</b>	means each of the dates specified in schedule 1 where a Repayment Instalment becomes due;
<b>“Repayment Instalment”</b>	means each of the instalments specified in Schedule 1;
<b>“Security”</b>	means any mortgage, debenture, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security, title retention or any other type of arrangement having a similar effect to any of them;
<b>“Unpaid Amount”</b>	means any sum or amount of the Loan which has not been repaid on the date it falls due under this Agreement;
<b>“Warranties”</b>	means the warranties set out at clause 10.

S

2.2 Any reference in this Agreement to a provision of a statute shall be construed as a reference to that provision as amended, re-enacted or extended at the relevant time.

2.3 The headings in this Agreement are for convenience only and shall not affect their interpretation.

### 3. The Loan

Subject to and in accordance with the terms of the Facility Agreement, the Lender agrees to lend to the Borrower on the Commencement Date a sum of £<< amount >> (the "Loan").

A

### 4. Purpose

4.1 The Borrower shall use the Loan for the purpose of << purpose >> under this Agreement for << period >>.

4.2 The Lender is not obliged to monitor how any amount under this Agreement is used.

M

### 5. Drawdown

5.1 The Loan is available to the Borrower in [not more than << number >> Advances] [one Advance].

5.2 The Lender shall pay the Loan to the Borrower in immediately available cleared funds to the account of, the Borrower.

5.3 [The Advances are payable by the Lender in the following

<< Date >> << amount >>  
<< Date >> << amount >>  
<< Date >> << amount >>  
<< Date >> << amount >>  
<< Date >> << amount >>]

Total: << amount >>

### 6. Interest

6.1 The Loan shall bear interest at the rate of << percentage >> per annum [simple] [monthly] [daily] rate of << percentage >> per annum.

6.2 Interest will be calculated on the balance outstanding from the Commencement Date to the date of repayment in full, and will be charged to the Borrower [monthly] [quarterly].

6.3 In the event of a default under the Facility Agreement, the default interest rate shall apply to the total of principal and interest from the date of default.

L

E

S

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 is repaid.

A

8. **Value Added Tax**

All consideration expressed in the Loan Agreement by the Borrower to the Lender shall be deemed to be net of VAT.

9. **Security**

Notwithstanding the terms of the Loan Agreement, the Borrower to secure other sums due to the Lender, the Loan is unsecured.

M

10. **Warranties**

The Borrower warrants as follows:

10.1 The information, in writing, supplied by the Borrower to the Lender in connection with the Loan Agreement was, at the time it was supplied, to the best of the Borrower's knowledge:

10.1.1 complete, true and accurate in all material respects at the time it was supplied; and

10.1.2 not misleading in any material respect, nor rendered misleading by a failure to disclose any material fact.

10.1.3 not superseded or updated by more recent information supplied to the Lender.

10.2 There has been no material change in the financial condition of the Borrower since the information supplied by the Borrower to the Lender in connection with the Loan Agreement.

10.3 No Event of Default has occurred since the date of this Agreement.

P

11. **Covenants**

The Borrower covenants with the Lender that the Borrower shall notify the Lender of any Event of Default (and take all steps, to remedy it) promptly on becoming aware of its occurrence.

L

12. **Events of Default**

12.1 Each of the events set out below is an Event of Default.

12.1.1 Non-payment of any sum due under this Agreement (including interest) on or after the due date >> days from the Repayment Date;

E

S

A

M

P

L

E

- 12.1.2 Any of the V (to have been) incomplete, untrue or incorrect;
- 12.1.3 Commencement of proceedings against the Borrower or the Borrower's assets or entanglement with creditors;
- 12.1.4 Any proceeding by the Borrower to attach or take possession of the Lender's assets or assets of a debt;
- 12.1.5 Any Security Agreement becomes enforceable and is not discharged within 30 days of the commencement of proceedings;
- 12.1.6 The Borrower or any director of the Lender ceases for any reason;
- 12.1.7 The death of the Borrower;
- 12.1.8 Where any event occurs (whether or not it is a reasonable expectation) which, in the event of the Borrower failing to perform all or any of its obligations under, or otherwise in connection with, this Agreement.

12.2 The Borrower shall be liable for any costs incurred by the Lender in taking any steps to obtain payment of the Unpaid Amount under this Agreement.

### 13. Enforcement

The Unpaid Amount plus interest shall (subject to the service of notice and/or the obtaining of a court order) become immediately due if any Event of Default occurs.

### 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 any of its rights or obligations under this Agreement.

### 15. Appropriation

The Lender may appropriate any payments which the Borrower makes to the Lender towards satisfaction of its obligations as the Borrower has with the Lender as the Lender sees fit.

### 16. Set-Off

- 16.1 The Lender may set off any sums payable by the Borrower under this Agreement against any sums payable by the Lender to the Borrower.
- 16.2 The Lender shall not be liable for any rights given to it under this clause.

17. **Remedies, Waivers, Amendments**

17.1 Any amendment to this Agreement shall be in writing and signed by or on behalf of each party.

17.2 Any waiver of any right under this Agreement is only effective if it is in writing and signed by the consenting party, and applies only in the circumstances specified.

17.3 No delay or failure to exercise a right under this Agreement shall operate as a waiver of that right.

17.4 No single or partial exercise of a right under this Agreement shall prevent any further exercise of that right.

17.5 The parties' rights and remedies under this Agreement are cumulative and not exclusive of any other rights or remedies provided by law or otherwise.

18. **Severance**

If any provision of this Agreement is held to be unenforceable in whole or in part, the remainder of the provisions of this Agreement shall nevertheless remain in full force and effect.

19. **Third Party Rights**

A person who is not a party to this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999.

20. **Communications**

20.1 All communications between the Lender and the Borrower in connection with the loan shall be in writing and delivered by hand or by post or sent by fax or e-mail:

20.1.1 (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

20.1.2 (in the case of the Borrower) to any address of the Borrower which forms part of the Agreement or which shall be notified to the Lender by the Borrower.

20.2 Communications shall be deemed to have been received:

20.2.1 if sent by pre-paid post, five Business Days after posting (exclusive of the day of posting); or

20.2.2 if delivered by hand, on the day of delivery; or

20.2.3 if sent by fax, on the Business Day prior to 5.00 pm, at the time of transmission or the next Business Day.

20.3 Communications addressed to the Lender shall be marked for the attention of << Name of person >>

writing and signed by or on behalf

r this Agreement is only effective  
consenting party, and applies

this Agreement shall operate as a

r this Agreement shall prevent any  
under this Agreement.

reement are cumulative and not  
ided by law or otherwise.

mpetent authority to be invalid or  
other provisions of this Agreement  
not be affected thereby.

have no rights under this  
(Third Parties) Act 1999.

t the loan shall be in writing and  
s post or sent by fax or e-mail:

e Lender) to its registered office or  
tified to the Borrower by the

o the Borrower) to any address of  
t which forms part of the  
shall be notified to the Lender by

en received:

o Business Days after posting

elivery; or

Day prior to 5.00 pm, at the time  
next Business Day.

all be marked for the attention of

21. **Governing Law and Jurisdiction**

This Agreement (including any amendments made to it) shall be governed by, and construed in accordance with, the law of England and Wales. Any dispute, controversy, claim or proceedings or claim between the parties arising out of or in connection with this Agreement (including any dispute, controversy, claim or proceedings or claim arising out of or in connection with the performance or non-performance of any of the obligations or duties of the parties hereunder or associated therewith) shall fall within the jurisdiction of the courts of England and Wales.

matters and obligations arising out of or in connection with this Agreement (including any dispute, controversy, claim or proceedings or claim arising out of or in connection with the performance or non-performance of any of the obligations or duties of the parties hereunder or associated therewith) shall fall within the jurisdiction of the courts of England and Wales.

S  
A  
M  
P  
L  
E

**IN WITNESS OF WHICH** the parties have signed the above written.

Witness the day and year first

Signed by << Name of Borrower >>

Signed by << Name >> on behalf of << Lender >>

<< Signature of Borrower >>

<< Signature of Director of Lender >>

S

A

M

P

L

E



Loan Amount: £<<  
Interest payable: £<<  
Commencement Date: << D

Repayment Date	Capital Balance remaining	Repayment	Interest Repayment
<< Date >>	<< Loan A		
<< Date >>			
<< Date >>			
<< Date >>			
<< Date >>			
<< Date >>			
<< Date >>			
<< Date >>			
<< Date >>			