

DATE <<Date>>

(1) <<Name>> LIMITED

(2) <<Name>> LIMITED

(3) <<Name>> LIMITED

DEED OF NOVATION LOAN

THIS DEED OF NOVATION is dated

PARTIES

- 1) <<Name of original lender>> is a company registered in England with number <<Insert company number>> and its registered office is at <<Insert registered office address>> (“the Original Lender”).
- 2) <<Name of new lender>> is a company registered in England with number <<Insert company number>> and its registered office is at <<Insert registered office address>> (“the New Lender”).
- 3) <<Name of borrower>> is a company registered in England with number <<Insert company number>> and its registered office is at <<Insert registered office address>> (“the Borrower”).

BACKGROUND

- I. <<Insert name of loan agreement>> was entered into between <<Insert names of the parties to the original agreement>> on <<Date of agreement>>, (the “Agreement”).
- II. The Original Lender has provided loans to the Borrower under the Agreement, which funds are outstanding on the Novation Date.
- III. The Original Lender is obliged to provide advances under the terms of the Agreement.
- IV. The Original Lender wishes to assign on all of its rights and obligations under the Agreement to the New Lender.

IT IS AGREED:

1. DEFINITIONS

- Debt** The amount of the loan (<<Insert amount>>) and all other amounts, including interest, charges, costs and fees, owing by the Borrower to the Original Lender or in connection with the Agreement outstanding at the Novation Date.
- Novation Date** The date of this Deed of Novation.

2. NOVATION

In consideration of the sum of <<Insert amount>> to be paid by the New Lender to the Original Lender on the Novation Date, the parties agree that the following shall have effect from the Novation Date:-

- 2.1 The Original Lender and the New Lender hereby mutually release each other from their obligations under the Agreement as from the Novation Date, except as provided in clause 3.

- 2.2 The Borrower agrees to the substitution of the Original Lender as a party to the Agreement in accordance with the terms of the Agreement.
- 2.3 The New Lender undertakes to perform the Agreement in accordance with the terms and conditions in the Agreement, and all references to the Original Lender shall be read as references to the New Lender.
- 2.4 The Borrower agrees to the Debt to the New Lender in accordance with the terms of the Agreement.

3. PRIOR MATTERS

- 3.1 Nothing in this Deed shall constitute or be taken to constitute any claim or demand whatsoever by the Borrower against the other party to the Agreement in connection with the Agreement prior to the Effective Date ("Effective Date").
- 3.2 Nothing in this Deed shall constitute or be taken to constitute the New Lender to be or become liable or responsible (jointly or severally) for, or in connection with, any claim against the New Lender in relation to the Agreement.

4. WARRANTIES FROM THE ORIGINAL LENDER

The Original Lender represents and warrants to the New Lender that on the Novation Date:

- 4.1 It is the legal and beneficial owner of the Debt and has good title to the Debt and no security interest or other right (including any rights of set off) exists in relation to the Debt;
- 4.2 No event of default (or breach) has occurred, is continuing or is likely to occur as a result of the Agreement, and the Agreement is not affected by this deed, and
- 4.3 No amount of principal or interest or other amounts is due and unpaid under the Agreement;
- 4.4 It is not in breach of the Agreement.

5. INVESTIGATION

The New Lender acknowledges that it has received such information as it deems appropriate in the circumstances to enable it to make an informed decision regarding the Agreement.

6. VARIATION

The New Lender shall make any amendments to the Agreement that are necessary to give full effect to the Agreement on the Novation Date in accordance with the provisions of this Deed.

7. COUNTERPARTS

This Deed may be executed in counterparts, each of which, when executed and delivered, shall together have the same effect as if each party had signed the same.

8. GOVERNING LAW AND JURISDICTION

This Deed and any disputes arising out of or in connection with its subject matter (including any non-contentious matters associated therewith) shall be governed by the law of England and Wales and subject to the exclusive jurisdiction of the courts of England and Wales.

IN WITNESS whereof the parties have hereunto signed and conditionally delivered this Deed on the date stated at the beginning of this Deed.

Executed as a Deed by
<<Name of Original Lender>> LIMITED
acting by [a director and its secretary]
[two directors]:

.....
Director

.....
Director/Secretary

Executed as a Deed by
<<Name of New Lender>> LIMITED
acting by [a director and its secretary]
[two directors]:

.....
Director

.....
Director/Secretary

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Executed as a Deed by
<<Name of Borrower>> **LIMITED**
acting by [a director and its secretaries
[two directors]:

.....
Director

.....
Director/Secretary

**[Alternative execution clause for use by the Lender or New Lender and/or Borrower
(company seal)]**

Executed as a deed by affixing
the common seal of
<<Original Lender/New Lender/Borrower>>

<<affix seal here>>
in the presence of

Director

Director/Secretary]

**[Alternative execution clause for use by the Lender or New Lender and/or Borrower
(one director's signature in presence of a witness)]**

Executed as a deed by
<<<<Original Lender/New Lender/Borrower>>>>

Signature:

acting by a director in the
presence of

Director

Signature of witness _____

Name (in BLOCK CAPITALS) _____

Address _____

_____]