Loan agreement: company; secured by guarantee

Dated: [Date]

The terms of this agreement are:

1. Definitions

"Advance"	means all or part of the Loan drawn down by the ■
"Basic Rate"	means interest at the rate of [number] • • • • • •
OR	
"Basic Rate"	means interest at the rate [number] per cent per year above the base rate from time • • • • • • • • • • • • • • • • • • •
"Financial Information"	means all information relating to the financial affairs of the Borrower including the Borrower's audited [consolidated] financial statement as on [date], consisting of a balance sheet as on that date and a statement of income and
"Higher Rate"	means a rate of interest five per cent cent .
"Interest Date"	means [date number] in each month • • • • • •
Loan"	means the sum of £ [amount] or such greater sum as shall in fact have been lent by the Lender to the Borrower at any time this agreement subsists, or such lesser sum \blacksquare

		. .
The terms "Lender", "Borrower" ■ ■ ■ " ■ ■		include in the case of a corporation, $\blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare$
"Default"		means the one of the circumstances as set \blacksquare
Inte	rpretation	
In this	agreement unless	the context otherwise requires:
2.1		erson includes a human individual, a corporate entity on
2.2	legal representative	erson includes reference to that person's successors, es, permitted assigns and any person to whom rights e transferred or pass as a
2.3		any party not to do or omit to do something includes allow some
2.4	[Except where stat from this • • • • •	ed otherwise], any obligation of any person arising
2.5		knowledge, information, belief or awareness of any emed to include the knowledge, information,
2.6	· ·	made only in the English language. If there is any between the English language version of this

■ .

3. Purpose of Loan

4.

The Loan shall be used only to:

[give precise details of reason for loan].

Sum of Loan and when advanced			
4.1	The total sum offered by the Lender and available for call- \blacksquare		
4.2	The Loan shall be advanced in such amount or amounts as the Borrower shall		
OR			
4.3	The Loan shall be drawn		
OR			
4.4	The Loan shall be • • • • • • • • • • • • • • • • • •		
ANI	D/OR		
4.5	The Loan shall be drawn down		
OR			
4.6	The initial draw down of the Loan shall be made only		
AND/OR			
4.7	Before any Advance may be drawn • • • , • • • • • • • • • • • • • • •		

[specify the information required].

5.	Repayment conditions		
	5.1	The Loan shall • • • • • • • • • • • • • [• • • •] • • • •	
	OR		
	5.2	The Loan shall \blacksquare	
		[list of dates and amounts].	
	OR		
	5.3	The Loan shall be repaid subject to the following events and in	
6.	Interest payable		
	6.1	Interest at the	
	6.2	Interest shall be = = = [= = =] = = = = = = [= = =] .	
	6.3	Interest shall be paid on the Interest Date.	
7.	Ear	ly repayment of part	
		Borrower may repay all or part of the Loan before the due date for yment provided that	
8.	Met	hod of payment	
	All pa	ayments due to the Lender of both capital and interest shall	

•••	
Eve	nt of Default
An "E	event of Default" occurs when:
9.1	the Borrower fails to ••••; ••••
9.2	the Borrower fails to pay in full and on the due date • • • • • • • • • • • • • • • • • • •
9.3	a petition is presented • • • • • • • • • • • • • • • • • • •
9.4	in the opinion of the Lender,
9.5	If the Borrower is a company:
	9.5.1 a receiver is appointed to the Borrower; or
	9.5.2 notice is given of
	9.5.3 a petition is presented for the
Not	ice of Default
10.1	Where an Event of Default has occurred the Lender may issue a " ■ ■
10.2	From the date when the Lender issues a Notice of Default. ■ ■ ■ ■ ■

10.

	10.3	Each Event of Default stands on its own,
	10.4	When an Event of Default happens, the Lender may serve ■ ■ ■ ■ ■
11.	Con	sequences of Termination
	At an	y time after issue of a valid ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
		: :
	11.1	all money • • • • • • • • • • • • • • • • • • ;
	11.2	damages for any breach of this agreement;
	11.3	all expenses and costs
12.	No d	change to capital structure
	Until the :	
	12.1	
		••••;
	12.2	shall not issue new share capital nor modify the rights attaching
	12.3	shall not reduce its share capital or

13. Borrower's warranties

The Borrower represents and warrants that:

13.1	it / ;
13.2	every subsidiary and associated company is
13.3	the execution of this agreement, the borrowing, and the performance
	by the Borrower of his obligations are fully
	•••••
13.4	the Financial Information fairly represents the financial state of \blacksquare \blacksquare \blacksquare
13.5	the Financial Information has been prepared in conformity with
	generally accepted accounting principles applied
	••.
13.6	the Borrower has no undisclosed contingent obligations;
13.7	there are no material, ••••••••••••••••••••••••••••••••••••
13.8	the Borrower will advise the Lender
	;
13.9	
13 10	· · · · · · · · · · · · · · · ·
10.10	:
	13.10.1
	;

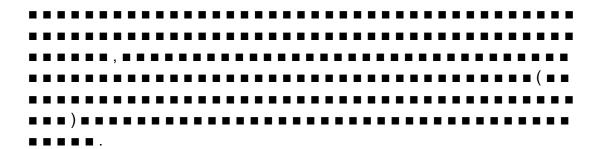
		13.10.2
		13.10.3 those in favour of the Lender;
		13.10.4 those identified in Schedule 1 of this agreement.
	13.11	
14.	Ass	ignment
	14.1	
	OR	
	14.2	
	14.3	
15.	Pro	mise to provide information
	15.1	
	15.2	

15	.3	
15	.4	1
16. Tł	ne Guarantor	
16	.1	ı
16	.2	
16	.3	1
16	.4	
16	.5	

17. Guarantor's continuing liability

17.1	
17.2	
	17.2.1
	17.2.2
	17.2.3
	17.2.4 the assignment of the agreement; or
	17.2.5
	17.2.6
	17.2.7

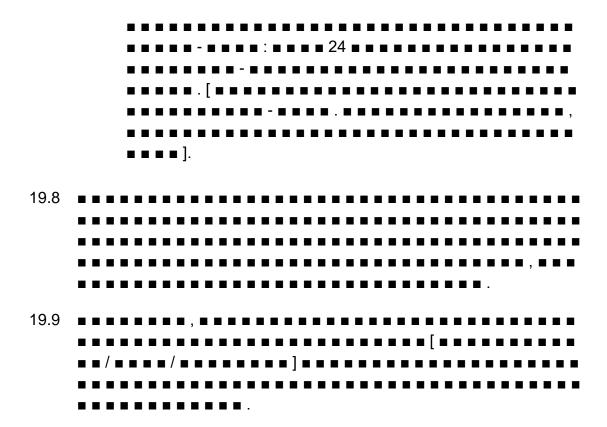
18. Rights waived



19. Miscellaneous matters

19.1	

19.2	
19.3	
19.4	
10.4	
	,
19.5	
19.6	
19.7	
	It shall be deemed to have been delivered:
	,
	••••72•••••;



Signed by [personal name] on behalf of [named Lender] as its / his representative who personally accepts liability for the proper authorisation by [named Lender] to enter into this agreement.

Signed by [personal name] on behalf of [named Borrower] as its / his representative who personally accepts liability for the proper authorisation by [named Borrower] to enter into this agreement.

Signed by [personal name] on behalf of [named Guarantor] as its / his representative who personally accepts liability for the proper authorisation by [named Guarantor] to enter into this agreement.

Schedule 1: Debts and goods over which some third party has a charge or lien

Explanatory notes:

Loan agreement: company; secured by guarantee

General notes

1. There is little statutory regulation relating to an agreement of this nature, so the parties can make more 2. The wording of the agreement will need slight alteration depending upon 3. To register a charge at Companies House, you should deliver form MR04.All -----https://www.gov.uk/government/publications/register-particulars-of-a-chargemr01 4. Recognition of our copyright in this document We assert our copyright in this document. When you downloaded it, you agreed to our terms and conditions, which set out in full how it may and may not be used. Without amending those terms, we remind you that you may not Once you have edited the document for final use, you may remove the 5. **Document review service** If you would like our legal team to check your edited version, we - - - -Please contact our support team at support@netlawman.co.uk for further

Paragraph specific notes:

Notes relating to the numbered paragraphs

1. Definitions

information.

	Note that the definition of "Loan" includes all money outstanding, which may of course = = = = = = = = = = = = = = = = = = =
2.	Interpretation
	Specific points which strengthen the agreement ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ - ■ ■ ■ ■ ".
3.	Purpose of Loan
	It is important to specify the purpose because by doing so, if the borrower uses
4.	Sum of Loan and when advanced
	Provides for alternative draw down arrangements and provision of information to the lender. Edit to the precise
5.	Repayment conditions
	This could be a fixed date or several dates or on the happening of a specific event. If you use this last option, make sure that the event "" ""
6.	Interest payable
	The provision for cumulation of interest should have careful attention, particularly if the rate of interest is high. Cumulation has the effect of adding the interest to the capital, so that
7.	Early repayment of part
	We have no comment.
8.	Method of payment
	Leave as is or specify this precisely.

Event of Default

We have no comment.

10.	Notice of Default
	Precise procedural matters. We
11.	Consequences of Termination
	A simple statement to avoid dispute.
12.	No change to capital structure
	Provides further safeguard to lender.
13.	Borrower's warranties
	Insofar as the lender has relied on any information provided by
	•••••
14.	Assignment
	We have no comment.
15.	Promise to provide information
	We suggest that you carefully consider
16.	Guarantor(s)
	We have no comment.
17.	Guarantor's continuing liability
	This paragraph covers a list of
18.	Rights waived
	Leave this paragraph in place. Without it

Miscellaneous matters

End of notes