HERMESS Management Consulting Trading & Finance
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Loan Agreement

Key terms between lender and borrower – sample text

Summary of terms (term sheet)

Lender	.....
Borrower	.....
Loan amount and currency	.....
Purpose	.....
Tenor / grace period	..... months / ..... months
Interest	Fixed ..... % p.a. / floating: reference rate + ... margin
Repayment	..... equal instalments, every ..... months
Security	.....
Fees	Arrangement ..... % · Commitment ..... %

1. Disbursement

Following satisfaction of the conditions precedent, the Lender disburses the loan in one or more tranches to the account designated by the Borrower.

2. Conditions precedent

Disbursement requires delivery of corporate authorisations, due perfection of security, required insurance policies, permits and licences and any other documents the Lender may reasonably request.

3. Interest and payments

Interest accrues on the outstanding principal on a 360-day year basis and is payable at the end of each interest period. Overdue amounts bear default interest of ..... % p.a. in addition to the contractual rate.

The Borrower may prepay the loan in whole or in part on at least ..... days' written notice; the prepayment fee is ..... %.

4. Security

The Borrower provides the security listed in the term sheet for all claims under the loan and maintains it for the term of the loan. If the value of the security declines materially, additional security shall be provided.

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5. Representations and undertakings

The Borrower represents that it is duly incorporated, authorised to enter into this agreement, that information provided is accurate and that no material litigation or enforcement is pending.

During the term the Borrower undertakes to deliver annual financial statements within ..... days, not to grant security over its assets to third parties (negative pledge) and not to materially change its business.

6. Events of default

Failure to pay any amount within ..... days of its due date, misrepresentation, insolvency, composition proceedings or a material decline in the value of security constitute events of default, upon which the Lender may accelerate the loan and enforce the security.

7. Costs and taxes

Costs, fees and taxes for documentation and for creating and registering security are borne by the Borrower.

8. Governing law and jurisdiction

This agreement is governed by the laws of ..... The courts of ..... have jurisdiction.

Lender – stamp / signature

_____

Name, title · Place, date

Borrower – stamp / signature

_____

Name, title · Place, date