

LOAN AGREEMENT

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BETWEEN THE UNDERSIGNED:

X, Company [legal form], which has its registered office situated at (...), registered with (...) under the number (...), validly represented by (...) acting in his/her capacity as (...);

Hereafter referred to as the **"Lender"**

ON THE ONE HAND

AND,

Y, Company [legal form], which has its registered office situated at (...), registered with (...) under the number (...), validly represented by (...) acting in his/her capacity as (...);

Hereafter referred to as the **"Borrower"**

ON THE OTHER HAND

The Companies X and Y will hereafter be referred to individually as the "Party" and collectively as the "Parties."

1. Object

The Lender will loan to the Borrower an amount of (...) Euros ("Loan") which the latter agrees to pay back in accordance with the conditions found within this Contract.

2. Duration

The Loan is made available to the Borrower for a period of (...) years.

3. Reimbursement

3.1 The Loan will be paid back by instalments into bank account IBAN number (...) with the bank (...) (BIC) of the Lender.

3.2 Each year, the Borrower will be required to pay interest calculated at the rate of (...) % of the principal sum.

4. Declarations

The Borrower ~~declares~~ confirms/acknowledges and guarantees to the Lender the following:

- a) the signature of this Contract and the obligations which arise herein have been duly authorised by the competent executive bodies and do not violate, in any way, the laws and regulations applicable to it, nor any commitment to which it could be held;
- b) no suit or extra-judicial proceeding is instituted or is about to be instituted against the Borrower;
- ~~e)~~ the Borrower is not in a state of insolvency which could prevent, restrict or adversely affect its capacity to perform its contractual obligations;
- ~~d)~~c) _____

5. Commitments

5.1 The Borrower agrees that so long as the Loan remains unpaid, it will not, without the prior written consent of the Lender:

- a) make significant changes in the nature of the business that he currently runs;
- b) create, incur, assume, or allow any debt other than that resulting from this Loan;
- c) create, incur, assume or permit any mortgage, pledge, lien or charge of any kind which would encumber its assets;
- d) enter into any loans, advances, extensions of credit or increases in capital for any other person or entity unconnected with the normal or ordinary evolution of its business,
- e) ~~to~~sell any assets unless it is acting within the normal and ordinary evolution of its business;
- f) ~~to declare cela veut dire quoi?~~or pay dividends or to carry out the distribution of its shares in circulation.

5.2 The Borrower agrees that as long as the Loan remains unpaid, it will:

- a) ~~occasionally~~ Quarterly provide to the Lender the financial statements as well as the financial information pertinent to the Lender;
- b) reimburse the Lender, at its request, in whole or in part, for legal costs, including attorney's fees and all other expenses made in order to recover the sums owed by the Borrower under this Loan Agreement as well as those engaged within the litigation related to this Contract, arising after the reimbursement of the Loan;
- c) maintain and preserve all the rights and other authorisations necessary to conduct its business;
- d) permit the Lender's representative to have access and power to examine the property, books and records of the Borrower on the condition that the latter has been given (...) days advanced notice and that the Lender uses its best efforts not to interfere with the Borrower conducting business.

6. Breach of Contract and Resolution

6.1 In the event that the Borrower does not respect one or more of the obligations found within this Contract, the Lender shall notify it of its failure and grant it a grace period of (8)¹ days to remedy this violation.

6.2 If the Borrower does not conform during this period, the Lender has the right to notify the Borrower that the Lender is terminating the Contract and to claim immediate reimbursement. The exercise of this right will not impair the right of the Lender to obtain damages.

6.3 In the following events, the Lender can terminate the Contract, without the requirement of a notification period:

- the Borrower has become insolvent or has declared bankruptcy;
- the Borrower commits wilful misconduct or is found guilty of fraud in the performance of this Contract.

Upon the occurrence of such a failure, the Lender can demand full and immediate repayment.

6.4 If, before the repayment date of the Loan, it becomes obvious that the Borrower will commit a fundamental breach of Contract, the Lender may declare the Contract terminated.

6.5 In the event that the Borrower does not repay the Loan during the period outlined in this Contract, it will be immediately due without the requirement of a notification period. Furthermore, the Borrower will be held to pay, as a penalty clause, in addition to

¹ Example

the interests due in proportion to its late payment, a lump sum equal to (10)² % of the unpaid amount (or an amount of ... Euros).

7. Force Majeure (OPTIONAL)

7.1 This term refers to the occurrence of unpredictable and irresistible events, independent of the will of either Party, having the consequence of preventing the performance of obligations under this Contract. Among these events are notably: war, riots, revolutions, insurrections, strikes, fires, floods, earthquakes, storms, (...). Not contained in the definition of force majeure are the following: (...).

7.2 Neither Party may be held responsible for the failure, the non-observance, or the breach of this Contract if it is caused by an event of force majeure. The affected Party shall provide proof of the existence of the case of force majeure and its effects.

7.3 In the event that such an event occurs, the Party which is unable to perform its obligation must notify the other Party as quickly as possible, and at most (...) days later, of the nature, the expected duration, the consequences of this event and also of the termination of this event. The affected Party shall inform the other Party of the evolutions of this event or of the circumstance which constitute the case of force majeure.

7.4 The affected Party will not be held responsible for failure, for non-observation or for breach of the Contract but it will not benefit from a revision of the period during which it must complete its mission if it is proven that it would have surpassed the deadline, even in the absence of the case of force majeure.

7.5 If the failure, non-observance or breach of this Contract is due to a case of force majeure lasting longer than (...) months, the other Party may, at that time, terminate this Contract, subject to written notification delivered to the affected Party which specifies the exact date of termination.

8. Miscellaneous

8.1 Partial Invalidity

If one of the clauses in this Contract is revealed to be void or unenforceable by any law or regulation, [or decision made] by a [judge], this Contract will not be considered void but will be interpreted so as to limit the application of this clause or provision to the extent necessary so as to make the Contract valid and enforceable, or in the event that the competent jurisdiction believes that such a limitation cannot be made to work, this Contract will be interpreted and performed as if this illegal and unenforceable provision had never been contained in the Contract.

² Example

8.2 No Waiver

The fact that a Party has not requested compliance with for or has failed to comply with one of the provisions of this Contract does not signify that this Party has renounced the rights that it holds under this Contract and will not affect the validity, in whole or in part, of this Contract nor will it impair the Party's exercise of the right to take necessary actions.

8.3 Assignment and Transfer

Neither of the Parties to this Contract may assign, transfer, subcontract or dispose of this Contract or of one of the rights or obligations described therein, in whole or in part, without the prior written consent of the other Party. All assignments or transfers realised without this consent will be unenforceable against the other Party.

8.4 Survival

In the event of termination or cancellation of this Contract, all the contractual rights and obligations arising herein which, by their nature, must continue to produce their effects after the end of the Contract, including but not limited to Articles (...), will remain in effect and will survive such a termination or cancellation.

8.5 Complete Accord

The Parties agree that this signed Contract is reputed to contain all their commitments, rights and obligations under the envisioned transaction. By consequence, all documents signed during the negotiations between the Parties and other contracts signed between the same Parties are replaced by this Contract.

8.6 Communication

All letters, E-mails, confirmations, invoices, payments, correspondence and other communications related to this Contract shall be registered, certified or sent by mail, by fax or by E-mail to the addresses mentioned at the beginning of the Contract. They are considered effective if their receipt can be established.

Any change of address shall be communicated to the other Party. Otherwise, the latter may continue to send all letters, E-mails, confirmations, invoices, payments, correspondence and other communications related to this Contract to the initial address.

8.7 Modifications

No additions or modifications of this Contract will be valid unless made in writing.

9. Applicable Law

The signature, validity, interpretation and performance of this Contract will be governed by (...) law.

10. Resolution of Disputes

All disputes related to the validity, interpretation and/or performance of this Contract which cannot be amicably settled between the Parties, will be exclusively judged by the courts and tribunals of (...)/will be settled by an arbitral tribunal under the regulations of the International Chamber of Commerce. The arbitral tribunal will be composed of (number of arbitrators) arbitrators designated under the aforementioned regulations and will be held at (location) in (language).

Made in as many copies as there are Parties, in, the,
each Party recognising that it has received an original.

_____ The Lender, _____ The Borrower,

_____ [Name of Signatory] _____ [Name of Signatory]

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*The Borrower is a company duly incorporated and in good standing under the law of (country) in which it is located.

SAMPLE

