

LOAN AGREEMENT

This Agreement is made on _____ between:

(1) _____, of _____ (the "Lender"); and

(2) _____, of _____ (the "Borrower").

1. The Loan

The Lender agrees to lend the Borrower the sum of _____ (in words: _____) (the "Loan"). The Lender shall pay the Loan to the Borrower on _____ by _____ (cash / bank transfer / cheque). The Borrower shall confirm receipt in writing.

2. Interest

The Loan bears interest at _____% a year on the amount outstanding, calculated from the date the Loan is paid. (If the Loan is free of interest, write "nil".)

3. Repayment

The Borrower shall repay the Loan and interest as follows: _____ (for example: in _____ equal monthly instalments of _____, the first on _____ and the rest on the same day of each following month; or in one payment on _____). The Borrower may repay all or part of the Loan early without penalty.

4. Method of Payment

Payments shall be made to the Lender by _____. The Lender shall give a receipt for each payment made in cash.

5. Late Payment

If a payment is not made within _____ days of its due date, the Borrower shall pay interest on the overdue amount at _____% a year from the due date until it is paid.

6. Default

The whole balance of the Loan and interest becomes payable at once if the Borrower: (a) fails to make a payment within _____ days of being asked in writing to do so; (b) is declared bankrupt or insolvent; or (c) has given information in connection with this Agreement that proves to be false in a material way.

7. Security

(Delete if not applicable.) As security for the Loan, the Borrower gives the Lender the following: _____. The security shall be released when the Loan and interest have been repaid in full.

8. General

This Agreement is the whole agreement between the parties about the Loan and may be changed only in writing signed by both. The Borrower may not transfer its obligations to anyone else. A delay by the Lender in enforcing a right is not a waiver of it.

9. Governing Law

This Agreement is governed by the laws of _____, and the courts of _____ have jurisdiction over any dispute arising from it.

The Lender

Signature: _____

Name: _____

Date: _____

The Borrower

Signature: _____

Name: _____

Date: _____

Witness 1 — Name: _____ Signature: _____

Witness 2 — Name: _____ Signature: _____