



# Shareholder Loan Agreement

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This **Shareholder Loan Agreement** ("**Agreement**") is entered into as of \_\_\_\_\_ ("**Effective Date**") stated below, by and between the following parties. The Company and the Shareholder are collectively referred to as the "**Parties**" and individually as a "**Party**".

**The Company**

**The Shareholder**

## Resitals

The Company requires additional funding for purposes such as business operations, investment activities, working capital needs, development, expansion or any other lawful corporate purpose.

The Shareholder agrees to provide the Company with a monetary loan under the terms and conditions set out in this Agreement. The Parties intend that the loan shall be repayable to the Shareholder on agreed terms, including interest, and may be secured using appropriate collateral or left unsecured depending on mutual consent.

In consideration of the mutual promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### 1. Loan Amount and Disbursement

The Shareholder agrees to lend the Company \_\_\_\_\_ as the loan principal, referred to herein as the Loan Amount. The Loan Amount shall be transferred to the Company by electronic transfer, cheque, or any other acceptable method agreed between the Parties. The Company acknowledges receipt of the Loan Amount and confirms that it shall use the funds solely for legitimate business needs in furtherance of the Company's operations or activities.

## **2. Interest Rate**

The Loan shall accrue interest at a \_\_\_\_\_%. The interest shall accrue daily and may be calculated on a simple or compound basis, as agreed between the Parties. Interest shall be payable in accordance with the repayment schedule outlined below and shall become due upon the occurrence of a repayment event, maturity date, or an event of default as described herein.

## **3. Repayment Terms**

The Company agrees to repay the Loan Amount together with any accrued interest on a predetermined repayment schedule or upon demand if provided for under this Agreement. Repayments may be structured through fixed installments, lump sum payment on the maturity date, or on-demand payment, depending on mutual agreement. The Company shall make all payments to the Shareholder at the address or account details provided by the Shareholder. Prepayment may be permitted without penalty unless otherwise agreed, and any prepayment must include all accrued interest up to the date of prepayment.

## **4. Maturity Date**

The Loan shall mature on a specific date mutually agreed upon and recorded herein. On the maturity date, all outstanding principal and interest shall become immediately due and payable unless otherwise renewed or extended in writing by both Parties.

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## **5. Collateral and Security**

The Parties may agree that the Loan shall be secured by collateral, which may include a debenture over company assets, shares held by the Company, or any other asset deemed acceptable by both Parties. If collateral is agreed, the Company shall execute all required security documents in proper legal form, granting the Shareholder rights over such collateral. In the event of default, the Shareholder shall have the right to enforce its security interest in accordance with applicable law. If no collateral is agreed, the Loan shall remain unsecured and the Shareholder acknowledges the inherent risk of such unsecured lending.

## **6. Representations and Warranties**

Each Party represents that it has full legal authority to enter into this Agreement. The Company represents that the loan funds shall be used solely for legal corporate business activities and not for personal gain of any directors, officers, or shareholders. The Shareholder affirms that the funds being loaned originate from lawful sources. Both Parties confirm that there are no existing agreements or restrictions preventing performance under this Agreement.

## **7. Default**

The Company shall be considered in default if it fails to make timely payments, breaches any covenant, becomes insolvent, enters liquidation, or ceases business operations outside lawful winding-up procedures. Upon default, the Shareholder may demand immediate repayment of the full outstanding principal and interest and enforce any collateral. Interest may accrue at a default interest rate mutually agreed by the Parties from the date of default until full payment is made.

## **8. Assignment**

Neither Party may assign its rights or obligations under this Agreement without prior written consent from the other Party, except that the Shareholder may assign repayment rights and interest in the collateral to another shareholder or entity with notice to the Company.

## **9. Amendments**

No amendment, modification or variation of this Agreement shall be valid unless made in writing and signed by both Parties. Oral agreements shall have no effect.

## **10. Governing Law and Jurisdiction**

This Agreement shall be governed by and interpreted in accordance with the laws applicable in the jurisdiction where the Company is incorporated. Any dispute arising from this Agreement shall be submitted to the competent courts of that jurisdiction, unless the Parties agree to arbitration or other dispute resolution mechanisms in writing.

## **11. Notices**

Any notice or demand under this Agreement shall be delivered in writing to the addresses referred to as the registered addresses of each Party. Notices may be delivered by hand, certified mail, courier, or electronic mail where acknowledgment of receipt is available.

**12. Entire Agreement**

This Agreement constitutes the entire understanding between the Parties with respect to the Loan and supersedes all prior oral or written agreements or representations relating to the subject matter herein.

**IN WITNESS WHEREOF**, the Parties have executed this Shareholder Loan Agreement as of the date first written below.

**The Company**

**Name**

**Date**

**Signature**

\_\_\_\_\_

**The Shareholder**

**Name**

**Date**

**Signature**

\_\_\_\_\_

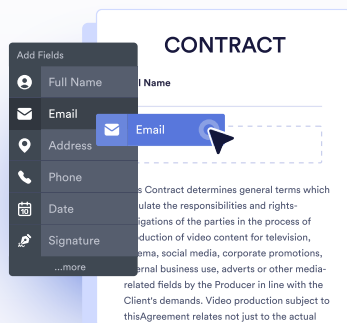


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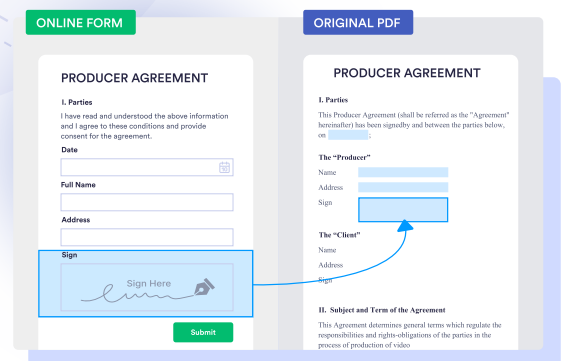
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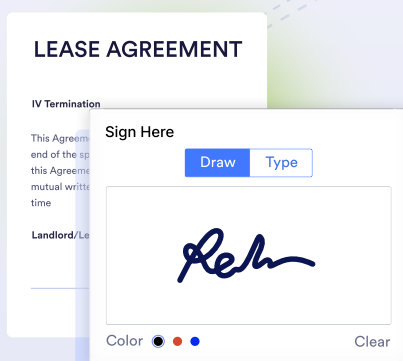
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