# THIS LOAN SUBORDINATION AGREEMENT is made the day of 20

# BETWEEN:

# (1) (“the Firm”) having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# and

# (2) (“the Lender”) having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# WHEREAS:

# 1. The Firm has asked the Lender to advance to the Firm the sum of

# (“the Subordinated Debt”).

# 2. The Lender and the Firm have agreed that the Subordinated Debt shall be advanced and subordinated upon the terms of this Loan Subordination Agreement.

# NOW IT IS HEREBY AGREED AS FOLLOWS:

# 1. The Lender shall advance the full amount of the Subordinated Debt to the Firm on

# 2. The Subordinated Debt shall have a maturity of at least five years and shall be fully paid up. Except where the Firm is being wound up the debt shall not become repayable before this date unless the Central Bank of Ireland (“the Central Bank”) approves the repayment.

# 3. The Firm shall not make any payment to the Lender which would result in the principal amount of the Subordinated Debt for the time being outstanding being reduced without the prior consent of the Central Bank.

# 4. Neither the principal nor the interest on the subordinated debt may be (re)paid if such (re)payment would mean that the capital of the Firm (or any component part thereof) is less than the Central Bank’s capital adequacy requirement for the Firm. The Firm shall notify the Central Bank without delay of all repayments of any part of the Subordinated Debt.

# 5. The Lender shall not demand, sue for, or receive payment of the whole or any part of the Subordinated Debt or claim any set-off which would result in the principal amount of the Subordinated Debt for the time being outstanding being reduced.

# 6. The Lender’s claims on the Firm in respect of the Subordinated Debt are wholly subordinated to the claims of all other non-subordinated creditors of the Firm. It is agreed that the Subordinated Debt will rank pari passu with all other debt which is subordinated to the other creditors of the Firm unless the Lender has first given its consent in writing to any such other subordinated debt of the Firm having any priority, which consent shall not be unreasonably withheld.

# 7. Until all monies due or to become due by the Firm to all of its creditors, including the Lender as a creditor in respect of all of its debts other than the Subordinated Debt, in any winding-up of the Firm have been paid or discharged in full the Lender shall not in any such winding up make any claim against the Firm, or claim any right of set-off against the Firm or prove in competition with any creditor of the Firm, in respect of the Subordinated Debt.

# 8. The Lender shall be entitled to interest on the Subordinated Debt for the period for which the Subordinated Debt is outstanding at a rate per annum which is , except that where before payment, the insolvency of the Firm commences, no such payment may be made without the prior consent of the Central Bank.

# 9. The Lender shall not without the prior written consent of the Firm (which shall not be unreasonably withheld) assign the benefit of the Subordinated Debt or any part thereof to any third party.

# 10. Where the Firm is a partnership:

# (a) This Loan Subordination Agreement shall subsist in full force and effect notwithstanding any change which may take place from time to time in the constitution or title of the Firm by the retirement of the present Partners or any of them or the admission of new Partners or by a change of name PROVIDED THAT:

# (i) a retired Partner shall continue to be liable for the payment of all sums due under this Loan Subordination Agreement and implementation of all

# other obligations in this Loan Subordination Agreement until the Lender and the remaining Partner(s) shall agree in writing to release a retired Partner from those obligations and the Central Bank has agreed in writing to the release; and

# (ii) in the event of a new Partner being admitted as a Partner of the Firm, the other Partner(s) shall procure that said admitted Partner shall become bound to the Lender as a party to this Loan Subordination Agreement and shall execute such addendum hereto for that purpose as the Lender and the Central Bank may consider necessary.

# (b) The obligations and undertakings of the Firm under this Loan Subordination Agreement shall bind the Firm and the Partners jointly and severally.

# 11. If any of the provisions of this Loan Subordination Agreement is or becomes invalid, illegal or unenforceable under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

# 12. This Loan Subordination Agreement forms the entire agreement as to the subordinated liabilities. If there are any other terms relating to the subordinated liabilities existing at the date hereof and not comprised in this Agreement such terms shall be of no further force and effect.

# 13. Any amendments to this Loan Subordination Agreement made or purported to be made without the consent of the Central Bank shall be void.

# 14. The Firm is authorized by the Lender to deliver a copy of this Agreement to the Central Bank, and such delivery will constitute an acknowledgement and representation and a confirmation to the Central Bank of the matters set out in this Agreement including the requirement to obtain the consent of the Central Bank, in the circumstances required by this Agreement, failing which the agreement and the subordinated debt to which it refers shall cease to have an effect for capital adequacy purposes.

# 15. This Loan Subordination Agreement shall be governed by, and construed in accordance with, the law of Ireland.

# IN WITNESS whereof the parties hereto have caused this Loan Subordination Agreement to be executed the day and the year first herein written.

# SIGNED FOR AND ON BEHALF OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# THE FIRM

|  |  |
| --- | --- |
| AFFIX SEAL OF FIRM |  |

# SIGNATURE AND AFFIXATION OF SEAL

# WITNESSED BY \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# SIGNED FOR AND ON BEHALF OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# THE LENDER

|  |  |
| --- | --- |
| AFFIX SEAL OF LENDER (IF APPROPRIATE) |  |

# SIGNATURE AND AFFIXATION OF SEAL

# WITNESSED BY \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# DATE \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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