

**Our Ref: EBRPLC/XXXX/SOL XXXX/EAZZY-CREDIT XXXX-XXXX**

DATES:XXX/XX/XXXX

**CUSTOMER /BUSINESS NAME:XXXXXXXXXXXXXXXXXX**

**Represented by XXXXXXXXXXXXXXX**

**Tel: (+250) XXXXXXX**

**E-mail: XXXXXXXXXXXXXXXXXX**

**XXXXXXX BRANCH**

Dear Sir/Madam,

**RE: BANKING FACILITY**

The Financier (hereinafter defined) is pleased to offer you the Facility set out below (the "Facility") on the following terms and conditions:

**A. SECTION A: Definitions and Interpretation**

- 1.1 "Bank" means Equity Bank Rwanda PLC, a limited liability company duly incorporated under the laws of Rwanda Company Code 102229882 and duly licensed as a bank having its registered office at Kigali and whose postal address is care of Post Office Box 494 Kigali, Rwanda which expression shall where the context admits includes its successors and assigns (whether immediate or derivative)
- 1.2 "Borrower" means **XXXXXX a Private Limited Company registered in Rwanda under the Laws of Rwanda as a company, under registration Number XXXXXX** and whose email address is **XXXXXXXXXX** which expression shall where the context admits, includes its successors in title and permitted assigns.
- 1.3 "Business Day" means a day other than a Saturday, Sunday or gazetted public holiday on which Banks are open for general business in both the Republic of Rwanda.
- 1.4 "Encumbrance" includes any mortgage, charge (whether fixed or floating), pledges, lien, hypothecation, assignment by way of security, security interest, title retention, trust arrangement, preferential rights of set-off, counterclaim, Banker's lien or other encumbrance whatsoever securing any obligation of any person and/or conferring a priority of payment in respect of any obligation of any person.
- 1.5 "Event of Default" means any one of the events specified in Section C of this Letter.
- 1.6 "Facility" means the Banking Facility made available by the Financier details of which are set out in Section B of this Letter.

- 1.7 "Interest Rate" means the lending interest rate set out in Section B below, which rate of interest the Financier shall at its sole discretion from time to time change within the limits permitted by law.
- 1.8 "Letter" means this Facility letter.
- 1.9 "Security" means the security documents set out in Section B.2 of this Letter and/or any security created or to be created by the Borrower or at the request of the Borrower by any third party in favour of either the Financier or the Bank (as determined by the Financier) to secure repayment of the Facility or any other security interest or agreement or arrangement having similar effect.
- 1.10 "RWF" means Rwandan Francs - the lawful currency of The Republic of Rwanda.
- 1.11 "USD" means United States Dollars - the lawful currency of the United States of America
- 1.12 "GBP" means British Pound Sterling - the lawful currency of the United Kingdom
- 1.13 "EUR" means European Euro - the lawful currency of the European Union
- 1.14 The headings in this Letter are inserted for convenience only and shall be ignored in construing this Letter.
- 1.15 The word "person" shall include any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality) or any agency thereof.
- 1.16 References to any agreement, document or instrument (including this Letter) means, such agreement, document or instrument (including this letter) as is supplemented, amended or varied from time to time between the parties thereto in accordance with the terms (if applicable) hereof and thereof.
- 1.17 References to Sections, clauses, paragraphs and Schedules, unless otherwise provided, are to be construed as references to the Sections, clauses, paragraphs and Schedules to this Letter.

**SECTION B: The Facility**

**“Borrower:** **XXXXXXXXXXXXXXXXXX**  
**Represented by XXXXXXXXXXXXXXX**  
**Tel: (+250) XXXXXXXXXXX**  
**E-mail: XXXXXXXXXXXXXXXXXXXX**

**XXXXXXX BRANCH**

**“Lender” means EQUITY BANK RWANDA PLC,  
P.O. Box 494  
Kigali-Rwanda.**

**1. Facility Description:**

Type of Facility	Amount
Business Loan XXXXXX	Rwf. XXXXXXXX/= (Rwanda Francs XXXXXX Only).

**2. Facility Terms:**

Purpose	XXXXXXXXXXXXX
Tenor:	XXXX Months.
Currency:	Rwanda Francs (RWF) will be applicable in this facility.
Interest Rate:	XXX % Reducing Balance.
Fees and Commissions:	LACE is XXX % equivalent to Rwf. <b>XXXX/=</b> attracting VAT (18%) = Rwf. <b>XXXX/=</b>
Repayment	<p>The maximum amount that will be available for draw down under the proposed facility shall not exceed the aggregate sum of Rwf. <b>XXXXXX/= (Rwanda Francs XXXXXX Only)</b> this amount shall be disbursed on Borrower's account after deduction of all charges (Commissions, Value added Tax and Insurance premiums) by using a manual system or the Bank may use an automated system whereby the full amount of the Facility shall be disbursed and all charges to be deducted after from the borrower's account.</p> <p>The facility will be repaid by the Borrower directly from the account held with Equity Bank Rwanda Plc by <b>XXXX (XX)</b> monthly instalments comprising of both principle and interest in the sum of Rwf <b>XXXXX/=</b> each, commencing the date of drawdown until the facility is repaid in full.</p> <p>The borrower hereby irrevocably authorizes Equity Bank Rwanda Plc to effect the direct Debit/standing order and undertakes to hold sufficient funds in the current account number XXXXXX to fulfil the obligation set out in this clause.</p>

Default interest rate	Default interest will be charged at a rate of 6% per annum in addition to the interest as described above as the “Interest Rate”.
<b>Early Repayment Rate</b>	In case of early payment of the facility from another financial institution a charge of 8% will be charged on the aggregate of the outstanding loan amount to be prepaid plus its accrued interest. No charge will apply if the borrower pays with his own funds.
Premium Cover	<p>The insurable collaterals, assets finances or debentures shall be insured by the borrower against all risks including but not limited to fire, earthquake, all types of explosion, lightning and any other risk covers related assets</p> <p>In case the borrower has insufficient funds on his/her account for assets renewal due date, the bank will have full right to grant him/her Loan insurance Facility equivalent Assets insurance renewal amount payable within one day. If it is not paid within that period, this insurance premium loan will start accruing interests on the rate of <b>18%</b> without prior consent and notice to the customer, this shall be part of the loan that the customers owes to the Bank and shall be recovered in the normal recovery process of Bank. Note that the bank shall incur no liability related to the exercise of this authority.</p> <p>The Borrower shall therefore <b>pay a fee to cover the premium</b> for the 1st year, and will be renewing annually basing on the current valuation report of the assets insured. In this regard, the borrower authorizes the bank to debit his/her account for assets insurance premium renewal. In case the Borrower has insufficient funds on his/her account, the insurance premium renewal will be paid in accordance with paragaraph 2 of the article</p>
Credit life Insurance	The loan facility is insured for credit life. You will therefore pay a fee of <b>Frw. XXXXX/= (Rwandan francs XXXXXXXX only)</b> that will cover the risk for the entire period of the loan.

### **3. SECURITY:**

The proposed facility will be secured by:

- First Legal charge of Rwf **XXXXXX**/= over Property with UPI **XXXXXXXX** located in xxxxx, xxxx, xxxx, xxxx, XXXXXXXXXXX in the names of XXXXXX, to be registered and stamped in favour of Equity Bank Rwanda PLC for a period of xxxx months.
- Assignment of all business incomes in favour of Equity Bank Rwanda PLC.

### **4. Conditions of Sanction**

1. Facility to be paid monthly.
2. Loan repayment to be provided for as they fall due and default to result in recovery process being initiated;
3. The Borrower to ensure that there are adequate funds in the account to meet loan repayments as they fall due and any default to lead to commencement of recovery process.
4. Valuation report over security property to be obtained and bank margin to be observed. The valuation report will expire after Three (3) years, after which the Borrower will be required to provide another Valuation report by Valuer in the Bank's panel. The Bank reserves the rights to instruct a valuer to provide the report and debit the borrower's account to meet the cost if the valuation is not provided within a period of 30 days after expiry.
5. All perils & hazards Insurance Policy cover over security to be obtained through a bank approved insurance company and Equity Bank Rwanda PLC interest to be noted. On expiry, the insurance policies will be renewed automatically by debiting the Borrower's account without prior notice.
6. Promissory note for Rwf **xxxxxxxx**/= to be duly executed
7. Security to be perfected before disbursement.
8. Equity Bank Rwanda plc to be the principal banker
9. Revised KFS as per revised loan terms to be signed by the borrower upon offer letter acceptance
10. Certificate of non-Indebtedness from RRA to be obtained prior to loan disbursement.
11. Evidence of marital status to be provided.
12. CRB Report to be cleared before disbursement
13. All costs overrun to be fully met by the borrower
14. The outstanding loan amount from the account **xxxxx** to be paid off upon disbursement.

### **5. Insurance:**

- a. The Borrower hereby undertakes to insure the business assets in the joint names of the Bank and the Borrower against loss or damage by fire, accident, third party risks and riot risks with an insurance company licensed under the Insurance Act and the Borrower further undertakes to pay punctually the premiums and all moneys payable in respect of such insurance and to constantly

ensure the Lender is named in such policy as first loss payee at all times when this Facility shall be outstanding.

- b. The Borrower has a right to select an Insurance Underwriter and/or Insurance Broker from a list of insurance Underwriters or Brokers licensed by the Insurance Regulatory Authority which shall be subject to the Lender's approval.

## **SECTION C:**

### **1. Interest:**

1.1 The Borrower shall pay interest as well after as before any demand judgement bankruptcy or liquidation (as the case may be). Interest (whether normal interest or default interest) shall accrue from day to day, will be calculated on un cleared balances inclusive of the first and last days of the period during which it accrues on the basis of the actual number of days elapsed on a 365-day year, will be debited to the Borrower's account with the Bank in accordance with the usual mode of the Bank monthly in arrears and will be compounded in the event of not being punctually paid.

1.2 The Bank services a notice on the Borrower at least a thirty (30) days' notice prior to any change in the rate of interest payable, during this period, the Borrower and the Bank will have a discussion and agree of the ideal rate. The Borrower acknowledges that the Bank shall be deemed to have issued sufficient Notice if the said Notice is sent to the Borrower through any one of the modes set out under Clause 17 hereinafter. The statement of the Bank as to the rate or amount of interest payable pursuant to this paragraph shall, in the absence of manifest error, be conclusive.

### **2. Fees:**

2.1 In addition to the fees set out herein, the Borrower will pay to the Bank such other fees and charges according to the Bank's tariff from time to time and in accordance with the law.

### **3. Security**

3.1 The Borrower shall create (and, shall procure that the guarantors shall create) in favour of the Bank the security particulars of which are set out under Section A of this letter or such other security as the Bank shall from time to time require to secure the Borrower's obligations hereunder.

3.2 The Security is to be a continuing security for the payment of all sums payable to the Bank notwithstanding any intermediate payments or settlement of accounts, or the bankruptcy, winding up, liquidation or dissolution of the Borrower (as the case may be) or any change in the Borrower's status, constitution, control or ownership for the payment of all sums including interest, fees, commission, costs, charges and expenses and the satisfaction of all liabilities, present or future, absolute or contingent for which the Borrower now is or may at any time hereafter be liable to the Bank and is to be in addition to and without prejudice to any other security which the Bank may now or subsequently hold in respect of such liabilities.

3.3 Any security that is presently held by the Bank for other banking facilities granted to the borrower shall also serve as security for these facilities additionally the securities listed herein shall also serve as securities for other facilities currently existing or to be granted in the future to the borrower.

3.3.1 The Bank shall have a right to consolidate security.

#### **4. Representations and Warranties:**

4.1 The Borrower represents and warrants to the Bank that:

4.1.1 it is private company duly incorporated and validly existing under the laws of the Republic of Rwanda and has the corporate power to own its assets, conduct its business as presently conducted and to enter into, observe and perform its obligations under this letter;

4.1.2 This contract valid and legally binding obligations of the Borrower enforceable in accordance with its terms;

4.1.3 Neither the signing of this letter nor the compliance with its terms will conflict with or result in a breach of any of the terms conditions or provisions of or constitute a default or require any consent under any indenture mortgage charge agreement or other instrument or arrangement to which the Borrower is a party or by which the Borrower is bound or violate any of the terms or provisions of the Borrower's memorandum and articles of association or any judgement decree or order of any statute rule or regulation applicable to the Borrower or the businesses undertaken by the Borrower;

4.1.4 The Borrower is duly and lawfully licensed to conduct business currently undertaken by the Borrower;

4.1.5 There are no outstanding encumbrances or contracts or arrangements conditional or unconditional for the creation by the Borrower or guarantor (where applicable) of any encumbrance on or over the proposed security for this Facility;

4.1.6 The Borrower is not engaged in nor to the best of its knowledge threatened by any litigation, arbitration or administrative proceedings the outcome of which might materially affect its business prospects or financial condition or make it improbable that the Borrower will be able to observe or perform its obligations under this letter;

4.1.7 The Borrower is not in violation of its memorandum and articles of association or other constitution or incorporation documents (as appropriate) or any statute or regulation of any competent authority in Rwanda and no judgment or order has been issued which has or is likely to have any material adverse effect on the Borrower's business prospects or financial condition or make it improbable that the Borrower will be able to observe or perform its obligations under this letter; and

4.1.8 No event or circumstance which constitutes or which with the giving of notice lapse of time or making of a determination would constitute an event of default as set out in this letter has occurred and is continuing.

4.2 The representations and warranties set out herein shall be deemed repeated by the Borrower on and as of each day the Facility remains outstanding to the Bank.

## **5. Events of Default:**

### **5.1 if**

5.1.1 The Borrower fails to pay on the due date any money or to discharge any obligation or liability payable by the Borrower to the Bank or fails to comply with any term condition covenant or provision of this letter or to perform any obligation or liability of the Borrower to the Bank under the security documents or if any representation warranty or undertaking from time to time made to the Bank by the Borrower is or becomes incorrect or misleading; or

5.1.2 The Borrower defaults on his/her obligations set out under this Facility letter or any other agreement or obligations relating to borrowing which expression includes all liabilities in respect of any type of credit and accepting endorsing or discounting any notes or bills and all unpaid rental and other liabilities present and future under hire-purchase credit sale conditional sale leasing (whether finance or operating) and similar agreements or under any guarantee (which expression includes all contingent liabilities undertaken in respect of the obligations or liabilities of any third party including all guarantees indemnities or bonds whether constituting primary or secondary obligations or liabilities) or if any borrowing or other money payable under any of the foregoing becomes or is capable of being declared payable prior to its stated maturity or is not paid when due; or

5.1.3 A resolution is passed or a petition is presented or an order is made or analogous proceedings are taken for the winding-up of the Borrower; or

5.1.4 An encumbrance takes possession or exercises or attempts to exercise any power of sale or a receiver is appointed of the whole or any part of the property assets or revenues of the Borrower; or

5.1.5 Any judgment or order made against the Borrower is not complied with within seven (7) days or if any execution distress sequestration or other process is levied or enforced upon or sued out against any part of the property assets or revenues of the Borrower; or

5.1.6 The Borrower agrees to declare a moratorium or becomes or is deemed to be insolvent or stops fails neglects or is unable (or deemed to be unable) to make payment of the Borrower's debts as and when they fall due or if a notice is issued convening a meeting of the creditors of the Borrower or the Borrower proposes or enters into any composition or arrangement with its creditors generally or with any class of creditors; or

5.1.7 The Borrower without the prior consent in writing of the Bank ceases or threatens to cease to carry on the business carried on by the Borrower on the date hereof or any material part thereof or changes the nature or mode of conduct of its business in any material respect; or

5.1.8 Any material part of the property assets or revenues of the Borrower is sold or disposed of (otherwise than in the normal course of trading) or threatened to be sold or disposed of whether in a single transaction or a number of transactions or is nationalised compulsorily acquired seized or appropriated; or



5.1.9 Any charge mortgage debenture guarantee indemnity or other security supplemental or collateral securing this Facility (or any part thereof) now existing or hereafter created becomes enforceable or fails or ceases in any respect to have full force and effect or ceases to be continuing or is terminated or disputed or becomes in jeopardy invalid or unenforceable or if there is any default hereunder by the Borrower and/or the person or persons providing such security or by the parties thereto; or

5.1.10 Any license authorization consent or registration at any time necessary or desirable to enable the Borrower to comply with its obligations to the Bank hereunder or to carry on their respective businesses in the normal course shall be revoked withheld or materially modified or shall fail to be granted or perfected or shall cease to remain in full force and effect; or

5.1.11 Any breach occurs of the terms and conditions (if any) endorsed on or referred to in the document of title in respect of any security provided; or

5.1.12 Any of the foregoing events occur without the prior consent in writing of the Bank in relation to any third party who now or hereafter has guaranteed or provided security for or given an indemnity in respect of the Facility (or any part thereof) or to any subsidiary company or holding company (as defined in section 154 of the Companies Act) of the Borrower or of any such third party; or any order is made under any applicable law to compulsorily acquire any security provided to secure the Facility; or

5.1.13 It becomes unlawful or impossible or it becomes uneconomical or difficult (as determined solely by the Bank) for the Bank to make or maintain or fund the Facility or any part thereof; or

5.1.14 There shall be a transfer (whether in a single transaction or a series of transactions) of the beneficial interest in more than fifty per cent (50%) of the Borrowers issued share capital or allotment or issue of any shares to persons other than its shareholders at the date hereof or if there shall be a replacement of the directors or senior management which has not been previously approved of in writing by the Bank or which in the opinion of the Bank (as determined by the Bank in its absolute discretion) materially and adversely affects the ability of the Borrower to fully discharge the Borrower's obligations to the Bank; or

5.1.15 There shall be any other event thing or circumstance which in the opinion of the Bank (as determined by the Bank in its absolute discretion) materially and adversely affects the ability of the Borrower to fully discharge the Borrower's obligations to the Bank,

5.2 Then the Facility shall immediately become due and payable and the Borrower shall pay to the Bank all amounts outstanding then together with interest thereon and all other costs charges and expenses due and payable to the Bank hereunder or under the security and the Bank shall cease to be under any further commitment to the Borrower and the Bank shall be entitled at its option to sue for the repayment of the Facility (or so much thereof as shall be outstanding) and enforce the payment thereof and/or enforce the powers rights and privileges conferred on the Bank by this contract and the security

## **6. Other Terms and Conditions:**

6.1 Granting of the Facility is subject to:

6.1.1 The acceptance of the Facility in accordance with the terms of this contract by the Borrower and any guarantors;

6.1.2 The Bank having received (in form and substance satisfactory to the Bank) documents requested for by the Bank including without limitation the Borrowers Certificate of Incorporation, Pin and VAT Certificate, Memorandum and Articles of incorporation, Pin and Identity documents of Directors, Current filed annual returns, financial statements as may be required by the bank and all relevant consents authorizations resolutions licences insurances and other documents as may have been requested by the Bank;

6.1.3 The representations and warranties set out in this letter being true and remaining true and correct on and as of each time as if each was made with respect to the facts and circumstances at such time;

6.1.4 The Bank having received from the Borrower payment of all fees to the extent due and payable;

6.1.5 All conditions of sanction and disbursement set out in section A of this letter having been met or complied with;

6.1.6 No event of default having occurred and no event having occurred which, with the giving of notice and/or the lapse of time and/or upon the Bank making the relevant determination, would constitute an event of default;

6.1.7 Compliance by the Borrower in such manner as the Bank thinks fit with all restrictions, rules and regulations formulated by the Bank from time to time in respect of the provision of the Facility;

6.1.8 Availability of funds and the compliance by the Bank with any and all restrictions, rules and regulations from time to time in force of the National Bank of Rwanda or any other relevant regulatory authority and the Bank shall not be liable for any failure to perform its obligations hereunder caused by reasons beyond the Bank's control or resulting directly or indirectly from the action or inaction of the Government, any government authority or any regulatory authority or any strike, boycott, blockade, Act of God, revolution or civil disturbance.

## **7. Other Covenants:**

7.1 The Borrower will from time to time and at the request of the Bank provide to the Bank such information as the Bank shall require including copies of the Borrower's audited financial statements (balance sheets, profit and loss statements and reconciliations of net worth) prepared in accordance with international accounting standards.

7.2 All Amount due and payable to the Bank under this Letter shall at all times rank higher in priority to all other present and future unsecured and unsubordinated obligations (including contingent obligations) of the Borrower with the exception of such obligations as are mandatorily preferred by law and not by contract.

7.3 The Borrower will not, without the consent of the Bank in writing, change its capital structure and will procure that the shareholders will not without consent transfer or issue any shares and that the present directors will not without such consent permit any transfer or issue of the shares in the Borrower

7.4 The Borrower will not create any encumbrance or permit any encumbrance to subsist, arise or be created or extended over its assets to secure any present or future indebtedness of the Borrower (other than this Facility).

7.5 The Borrower will at its own expense insure and keep insured (and punctually pay all premium and other money necessary for effecting and keeping up the insurances) all of its assets which are of an insurable nature with insurers previously approved by the Bank in writing against loss or damage by fire burglary theft civil commotion explosion aircraft flood storm tempest lightning burst pipes and such other risks and contingencies as the Bank shall from time to time request to the full replacement value of such assets from time to time including fees of architects surveyors engineers and all other professional fees and demolition charges and where such assets are charged or to be charged in favour of the Bank to obtain such insurance in the joint names of the Borrower and the Bank or at the option of the Bank in the name of the Borrower (failing which the Bank may take out or renew such insurances in any sum which the Bank may think expedient and all money expended by the Bank under this provision shall be reimbursed by the Borrower on demand and bear interest at the rates specified in this Letter). The interest of the Bank shall be noted on the policy and the policy shall contain such provisions for the protection of the Bank as the Bank may reasonably require.

7.6 The Borrower will at all times comply with and observe all covenants duties and obligations contained in this letter and in the security.

## **8. Payments:**

8.1 All payments to be made under this Letter shall be made immediately available funds during normal business hours. If any sum falls due under this Letter on a day which is not a Business Day, payment shall be made on the next succeeding Business Day. All payments to be made by the Borrower under this Letter shall be made through the current account of the Borrower with the Bank or to such account of the Bank as shall be notified in writing by the Bank to the Borrower from time to time.

8.2 All sums payable by the Borrower under this Letter shall be paid in full without any set-off or counterclaim and (save in so far as required by the law to the contrary) free and clear of and without any deduction or withholding whatsoever. If the Borrower is at any time required by law to make any deduction or withholding from any payment to the Bank, then the Borrower shall immediately pay to the Bank such additional amounts as will result in the Bank receiving the full amount it would have received had no such deduction or withholding been required, and will, simultaneously, provide the Bank with a certificate of deduction or withholding in respect of the amount deducted or withheld together with evidence satisfactory

to the Bank that the amount so deducted or withheld has been paid over to the relevant authorities when and as due.

8.3 If any Facility or part thereof is granted in or converted to a currency other than the Rwanda Francs the obligation of the Borrower to make payment shall not be discharged unless payment is made in such other currency in freely transferable and convertible funds. All monies received or held by the Bank or by any Receiver appointed by the Bank under its securities after demand has been made by the Bank shall be converted into such other currency as the Bank considers necessary or desirable to cover the obligations and liabilities of the Borrower actual or contingent in that other currency at the then prevailing spot rate of exchange of the Bank as conclusively determined by the Bank for purchasing that other currency with the existing currency and the Borrower shall indemnify the Bank against the full cost incurred by the Bank for such purchase.

#### **9. Conversion of Facility:**

The Bank may convert the Facilities or any portion thereof into any other currency upon ageing with the Borrower at a rate to be determined and all amounts due and owing by the Bank (including interest and other costs, charges and expenses) shall thenceforth be paid to the Bank in the new currency.

#### **10. Set-Off:**

The Bank may, at any time without notice or demand to the Borrower and notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any then existing accounts of the Borrower (whether alone or jointly) within the Bank wherever situated including accounts in the name of the Bank (whether current, deposit, loan or of any other nature whatsoever, whether subject to notice or not and in whatever currency denominated) and set off or transfer any sums standing to the credit of any one or more such accounts in or towards satisfaction of any obligations and liabilities of the Borrower to the Bank whether such liabilities be present, future, actual, contingent, primary, collateral, joint or several and the Borrower expressly waives any rights of set-off that the Borrower may have, so far as is permitted by law, in respect of any claim which it may now or at any time hereafter have against the Bank.

#### **11. Expenses and Indemnity:**

The Borrower will pay to the Bank on demand all costs charges and expenses incurred on the accounts of the Borrower with the Bank and will reimburse the Bank on demand for all expenses, including legal expenses, incurred by the Bank in connection with the negotiation and preparation of this Letter and with the preparation and registration of the security, and will reimburse the Bank on demand with all expenses incurred by the Bank in suing for or recovering any sum due to the Bank under this Letter or the security or otherwise in protecting or enforcing its rights under this letter or the security and the Borrower will pay all legal fees stamp and other duties and taxes (if any) to which this letter and the security may be subject or give rise and will indemnify the Bank against any and all liabilities with respect to or resulting from any delay or omission on the part of the Borrower in the payment thereof. The Borrower will indemnify the Bank against any loss that the Bank may suffer as a result of granting the Facility to the Borrower.

## **12. Appointment of Attorney:**

The Borrower hereby irrevocably appoints the Bank to be the attorney of the Borrower and in the name and on behalf of the Borrower to execute and do any assurances, acts and things which the Borrower ought to execute and do under the covenants and agreements herein contained and generally to use the name of the Borrower in the exercise of all or any of the powers hereby or by law conferred on the Bank

## **13. Registration of securities**

For the purposes of security registration, the borrower hereby expressly authorizes the lender to register the movable asset (as described in Article 3 herein above) on her/his/its behalf.

All fees and other expenses for this purpose shall be borne by the borrower and payable upon notice by the Bank.

## **14. Remedies in case of default of payment**

In case of failure to pay the interests and principal as planned on the repayment schedule, the Bank shall have power to manage, lease, sell or take over the assets mortgaged in accordance with the Law No 10/2009 of 14/05/2009 on mortgages as amended from time to time and in accordance with the Law No 34/2013 of 24/05/2013 on security interests in movable property.

In the event of sale of those assets, the bank shall follow procedures set forth in the mortgage law and/or adopted by competent authorities from time to time.

## **15. Mortgage rules**

The borrower undertakes to accomplish all the necessary procedures required to obtain the title deeds of the plots mentioned under Article 6 herein above and hand them to the bank.

In case of failure, the bank undertakes to accomplish these procedures on behalf of the borrower for a service fee of Five per cent (5%) of the loan principal amount. However, this amount cannot go beyond Rwf. 5,000,000. The borrower and the guarantor also hereby provide an exclusive proxy to the bank to undergo the necessary formalities; including signing of the documents for the acquisition of the said title deeds.

Borrower and the guarantor expressly undertake to require registration of the mortgage granted (1st Rank) to the bank as stipulated in this offer, at the Office of the Registrar General.

The mortgage includes even the immovable property by virtue of their purpose found in the real estate mortgaged, as well as any other improvement that could have been done on the said real estate. Such a mortgage equally extends to immovable incorporated as long as the latter belong to the owner of the immovable in which they are incorporated.

The borrower hereby declares that the assets above are exclusively their own and they are not mortgaged as securities and that there is no other legal commitment binding the said mortgage likely to take precedence over the present Mortgage, either by the State of Rwanda or by any other person whatsoever.

The borrower equally declares to have paid all duties on the mortgaged assets for the current year and expressly undertake to pay in future and on time, any other costs accrued to the afore mentioned assets.

The mortgaged assets shall be insured by the borrower against risks of fire, earthquake, all types of explosions, lightning etc. The borrower shall inform the insurance company about the mortgage in favor of the Bank and handover insurance policies to the bank.

The borrower and the guarantor(s) shall redeem the mortgaged assets once the Borrower pays off the entire amount due to the Bank i.e. the principal, interests and or any other kind of bank fees incurred for whatsoever reason or by whatever means.

#### **16. Assignment:**

The Borrower shall not be entitled to assign all or any part of its rights obligations or benefits hereunder without the prior consent in writing of the Bank. The Bank may assign or transfer all or any of its rights and obligations under this Letter and/or any of the Securities. The Borrower and the Guarantors will at the Bank's request execute all documents and enter into all such agreements specified by the Bank to be necessary to give effect to any such assignment or transfer.

#### **17. Notices:**

Any notice by the Bank under this Letter shall be deemed to have been properly served to the Borrower if delivered:

a) By hand or sent by registered post, telex or facsimile at the address of the Borrower notified to the Bank or at the registered offices or any of the principal places of business of the Borrower in Rwanda. The notice is deemed to have been delivered if sent by registered post seven (7) days after the date of posting (notwithstanding that it be undelivered or returned undelivered) or if sent by telex or fax on the completion of transmission. Or:

b) By personalized electronic media including phone, SMS, email, internet or other convenient means as notified to the Bank by the Borrower or:

c) Through print media by a notice published in two local dailies of nationwide circulation in Rwanda.

#### **18. Disclosure:**

To enable the Bank to comply with regulatory requirements, the Borrower, by its acceptance of the Facility, irrevocably consents to the disclosure by the Bank its officers and agents in any manner however of any information relating to the Borrower and its account relationship with the Bank including without limitation, details of the Borrower's Facility, the security taken, the Borrower's credit balances and deposits with the Bank, default under the Facility, outstanding balances on the Facility and any enforcement action taken to

(i) Any regulatory or supervisory authority including fiscal authority in any jurisdiction

(ii) Any potential assignee of the Bank or other participant in any of its rights and/or obligations in relation to the Borrower's Facility

(iii) Any guarantors, third party pledge or security providers

(iv) The Bank's agents and any Credit Reference Bureau as required by law.

**19. Waivers, Remedies Cumulative:**

No failure or delay by the Bank in exercising any right, power or privilege under this Letter shall impair the same or operate as a waiver for the same nor shall any single or partial exercise of any right, power or privilege preclude any further exercise of the same or the exercise of any other right, power or privilege. The rights and remedies provided in this Letter are cumulative and not exclusive of any rights and remedies provided by law

**20. Applicable law, severability, resolution, resolution of disputes and jurisdiction**

This Letter and the contract arising out of the Borrower's acceptance of the Facility on the terms and conditions set out in this Letter shall be governed by and construed in all respects in accordance with Laws of Rwanda Nothing in this Paragraph shall limit the right of the Bank to take proceedings against the Borrower in any other Court of competent jurisdiction, nor shall the taking of proceedings at one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

The Borrower may raise any complaint to the Bank in relation to or in connection with the loan herein contemplated (hereinafter as "loan dispute") for amicable settlement of such loan dispute between the Parties. Should the parties fail to reach an amicable settlement of the loan dispute within 30 days from the date the complaint was raised, the Borrower may refer the loan dispute to the public committee in charge of resolving financial services consumer's complaints.

**21. Offer Period:**

The offer hereby made is open for acceptance within thirty (30) days from the date of this letter and if not accepted unconditionally within that period, it will be deemed to be withdrawn from the date of expiry thereof. Notwithstanding, the Facility is available for drawdown for a period of one hundred and eighty (180) days from the date of the said acceptance of the offer, failing which the Facility shall be deemed to have been withdrawn.

Yours faithfully,

For and on behalf of

**Equity Bank Rwanda Plc**

**XXXXXXXXXXXXXXXXXX**  
**AUTHORIZED SIGNATORY**

**XXXXXXXXXXXXXXXXXXXX**  
**AUTHORIZED SIGNATORY**

We hereby accept the Facility on the terms and conditions contained in this Letter.

**Borrower:**

XXXXXXXXXXXXXXXXXXXX

In Presence of Notary Public/Private

**NOTE:**

1. The Borrower must initialize all the pages of the letter of offer.
2. If the Borrower is a company the seal of the company must be affixed to the Letter in the presence of two directors or one director and the secretary.