

Our Ref: EBRPLC/NEWGEN ID NUMBER-LOS/4012/CIF/INITIALS

DATEXXXX XXXth XXXX

XXXXXXXXXXXX

Contact: (+250) XXXXX

Email: XXXXXXXXXXX

XXXXXXXX BRANCH

Dear Sir/Madam,

Re: Equiloan Facility of FrwXXXXXXXXXXXX only

We, Equity Bank Rwanda PLC, a Company duly registered and validly existing under the laws of the Republic of Rwanda with a license to operate in the banking sector whose registered office is at KN 4 Av, Grand Pension Plaza, Kigali, and with Company Code: 102229882 refer to your application for finance dated **28th September 2024** and have the Pleasure in confirming that we are prepared to grant you a loan facility subject to the following terms and conditions:-

1. Contracting parties

In this letter the following words shall have the following meanings:

“Borrower” means

XXXXXXXXXXXX

Contact: (+250) XXXXX

Email: XXXXXXXXXXX

XXXXXXXX BRANCH

“Lender” means

Equity Bank Rwanda plc,

Head Office

P.O. Box 494

KIGALI

2. Purpose

The facility has been granted for xxxxxxxxxxxxxxxxx

The whole amount of the loan shall be used only for the purpose set out here in. The bank shall have the right to demand immediate payment of any amount of loan outstanding, together with interest, if shall come to the notice of the bank that the whole or any part of the loan has been or is being expended for any other purpose.

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3. Amount of the Facility and Repayment

The maximum amount that will be available for draw down under the proposed facility shall not exceed the aggregate sum of Rwf. (XXXXXXXX) 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.

The advance will be repaid directly from your savings account in xxxxxx (xxxx) monthly installments of **Frw. xxxxxxxx/-** until the loan is paid in full. You should therefore ensure that your account holds sufficient funds to meet this obligation.

4. Interest and Commissions

The Borrower shall pay interest as well after as before demand or liquidation of the Borrower on any amounts for the time being and from time to time outstanding under the facility at the prevailing base rate currently **17% per annum minus 1%**, hence an effective interest rate of **XXXX per cent (xxxx%) reducing balance** per annum. The lender reserves the right to amend interest charges prior written notice of thirty (30) days to the Borrower.

The proposed facility will also attract a loan application and credit evaluation fee for the services provided to the Borrower in evaluating the proposal for the facility. The Borrower will be required to pay **Frw.203,200.00/= (Rwandan Francs XXXXXXXXXXXXXXXXXXXX only)** The foregoing loan application and credit evaluation fee are subject to XXXXX/= /= only

5. Credit life insurance cover and other premiums

5.1 Credit life insurance cover

The loan facility is insured for credit life and retrenchment (9 months). You will therefore pay a fee of **Frw. XXXXXXXX/= (Rwandan Francs XXXXXXXXXXXXXXXXXXXX)** that will cover the risk for the entire period of the loan.

5.2 Other Premiums cover

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

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 **18%** without prior consent and notice to the customer, this shall be part of the loan that the customers owes

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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.

The Borrower shall therefore **pay a fee to cover the premium** 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 paragraph 2 of the article 5.2.

6. Additional Interest

If the Borrower fails to pay any sum payable under the proposed facility on its due date, the Borrower shall pay interest on such sums from the date of such failure to the date of actual payment (as well after as before any demand, judgment or the liquidation of the Borrower) at the rate of **six per cent (6%)** per annum above the rate specified in clause 4 of this letter. Such interest shall be payable at any time on demand and the Borrower hereby confirms and acknowledges that this additional interest represents a reasonable pre-estimate of the loss to be suffered by the Lender in funding the default of the Borrower.

In case of loan take over by the other Banks; a charge of eight per cent (8%) will be charged on the aggregate of the outstanding loan amount to be prepaid plus its accrued interest.

7. Security

The proposed facility will be secured by;

- a. Salary from **XXXXXXXXXXXXXXXXXXXXXXX**
- b. First charge of **RwfXXXXXXXXXXXXXXXXXX** over the property with **XXXXXXXXXX** located at Ruragendwa, Rwimbogo, Nyarugunga, Kicukiro to be registered and stamped in favor of Equity Bank Rwanda PLC for the period of **XXXXXX months**.

❖ Security expenses

The borrower undertakes to cover all charges related to the registration and deregistration of guarantees as well as other potential charges related to the implementation, the monitoring and the recovery of the facility granted to him by the Lender. Therefore the borrower signs by the current contract a permanent order authorizing the Lender to debit any of his/her/its account(s) the related fees.

8. Sanction Conditions

Prior loan disbursement, the borrower is duty bound to meet the below conditions:

- a. Facility to be paid monthly.
- b. 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.
- c. Salary to continue being remitted through Equity Bank Rwanda PLC

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- d. Irrevocable undertaking from employer to remit salary through borrower's account at Equity Bank Rwanda PLC until the loan is fully repaid.
- e. Loan to be repaid within agreed period and if there is a change of employer Equity Bank Rwanda PLC to be notified immediately
- f. Promissory note of **Rwf XXXXXXXXXXXXXXXXXXXX**/- to be provided.
- g. Borrower not to take mid-month advances.
- h. All allowances should be channeled through Equity Bank Rwanda PLC
- i. Authorization forms to be properly filled and signed reflecting loan and installment amount.
- j. Valuation report over security properties 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.
- k. All perils & hazards Insurance Policy cover Property (where applicable) to be obtained through a bank approved insurance company and Equity Bank Rwanda PLC interest to be duly noted.
- l. Evidence of marital status to be provided.
- m. Revised KFS as per the revised loan terms to be signed by the borrower upon offer letter acceptance.
- n. Outstanding balance on loan accounts number(s) **4012512196665**,to be paid off upon disbursement.
- o. Security to be perfected before drawdown of the proposed facility
- p. Valuation report over security properties 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.”
- q. All perils & hazards Insurance Policy cover Property (where applicable) to be obtained through a bank approved insurance company and Equity Bank Rwanda plc interest to be duly noted. On expiry, the insurance policies will be renewed automatically by debiting the Borrower's account without prior notice.
- r. Proposed Security to be perfected before drawdown of the proposed facility.
- s. Payoff on loan account no XXXXXXXXXXXXXXXXXXXX upon successfully disbursement.
- t. Updated clean CRB report to be provided before disbursement
- u. All copies of provided documents to bear CTC (Certified True Copy) stamp

However due to valid reasons, the disbursement may be done before fulfilment of some conditions subject to written exceptional approval from the head of credit or his/her representative.

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9. Additional conditions

As additional conditions before the proposed facility will become available to the Borrower, the Lender requires the following from the Borrower, each in satisfactory form and substance:

- a) The enclosed copy of this letter/loan agreement signed by the Borrower or on the Borrower’s behalf by an authorized person or persons by way of acceptance of the proposed facility on the terms and conditions of this letter;
- b) In the case of a company, a certified copy of a resolution of the Borrower’s board of directors authorizing acceptance of the proposed facility on the terms and conditions set out in this letter, authorizing one or more of the Borrower’s directors and the secretary to sign on its behalf the enclosed copy of this letter by way of acceptance, and authorizing one or more of the Borrower’s directors to operate and sign all documents, notices and communications in respect of the proposed facility (together with a certified document containing his/their specimen signature);
- c) Such information and documents concerning the Borrower’s business and financial position and prospects as the Lender may request;
- d) Payment in cleared funds of all fees, expenses and other sums, to the extent due and payable; and
- e) Duly executed and perfected security documents of the items referred to in this offer letter.

10. Other conditions

The Lender’s obligation to avail the proposed facility or to comply with its obligations hereunder is also conditional upon the following:

- a) The Borrower being in compliance at the relevant time with the terms and conditions of this letter and any security document in place, and there being no breach of or default under, this letter, any security document and any other document referred to in this letter.
- b) The performance by the Borrower and the Lender of the obligations herein is subject to all the applicable laws, regulations, decrees, administrative rules and orders of the Republic of Rwanda now or hereafter affecting the same.
- c) The Lender reserves the right to combine accounts, the right to consolidate all securities held for any account to constitute security for all accounts so held.

11. Representation and Warrants

The Borrower represents and warrants to Lender on the Closing Date, after giving effect to the Closing and effectiveness of the Transactions, on behalf of itself and its Subsidiaries, and thereafter as follows:

A) Binding Effect.

Each Loan Document (a) has been duly executed and delivered by the Borrower to which it is a party, (b) constitutes the legal, valid and binding obligation of the Borrower to which it is a party, and (c) is enforceable

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against Borrower to which it is a party in accordance with its respective terms, except as enforceability may be limited by applicable laws.

B) Litigation.

The Borrower represents that it is not subject to or aware of the threat of, any Litigation involving it or any of its assets. The Borrower does not know of any valid basis for any such Litigation involving it or any assets of its assets.

There are no outstanding judgments, orders, injunctions, decrees, citations, stipulations or awards (whether rendered by a court, administrative agency, arbitral body or Governmental Authority) against or pertaining to any Loan Party or any assets of any Loan Party.

C) Taxes.

All Tax returns required to be filed by the Borrower have been filed (or extensions have been granted) before delinquency, and all Taxes imposed upon the Borrower that are due and payable have been paid other than Taxes which are being contested in good faith by lawful proceedings diligently conducted

D) Debt.

The Borrower is not an obligor on any non performing Debt under any Agreement.

E) Use of Proceeds

Borrower will use the proceeds of the Loan (i) to fund the transaction costs, fees and expenses of the Loan and (ii) for any Loan Party's general purposes.

F) Compliance with Laws; Certain Operations.

The Borrower and each of its respective officers, directors, managers and employees has complied in all material respects with all applicable Laws and all applicable requirements of any Governmental Authority or self-regulatory organization. No notices, citations, claims or orders have been filed or granted against the Borrower alleging or finding violation of, or liability or responsibility under, any such Law which have not been heretofore settled.

G) Solvency

The Borrower on a consolidated basis is Solvent, prior to, and after giving effect to, the transactions contemplated hereby. No transfer of property is being made and no obligation is being incurred in connection with such transactions with actual intent to hinder, delay or defraud any present or future creditors of any Borrower.

H) Priority.

The provisions of the Security Documents are effective to create in favor of Lender a legal, valid and enforceable first priority Lien on all right, title and interest of the Loan Parties in the collateral, subject only to Permitted Liens.

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12. Credit reference bureaus

The Borrower expressly consents and allows the Bank to forward personal data and full file credit information to licensed credit reference bureaus in accordance with the current law governing credit information system in Rwanda.

13. Availability and disclosure

- a. 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.
- b. The Lender reserves the right to periodically review the proposed facility and in its sole discretion, without prior notice and at any time, revise, withdraw, modify or cancel, in whole or in part, the same whereupon any monies owing under or in respect of the cancelled facility shall become due and repayable by the Borrower to the Lender on demand.
- c. The Lender also reserves and the Borrower hereby authorizes the Lender to disclose to any person/institution (that the Lender may partner with in relation to the repayment or recovery of the facility) all the details including bank account details of the Borrower.
- d. This letter and/or the granting of the proposed facility may be withdrawn if, in the opinion of the Lender, there is a material adverse change in relation to the Borrower's financial position and/or business performance and/or environment.

14. Default

The following events will constitute default and cause any amount outstanding under the proposed facility to become immediately due and repayable and any commitments made hereunder by the Lender cancelled:

- (i) The failure of the Borrower to observe or perform any of its obligations under this letter and/or the security documents.
- (ii) If any circumstances arise which in the opinion of the Lender have or may have a material adverse effect on the Borrower's ability to perform its obligations under this letter and/or the security documents?
- (iii) The Borrower admits in writing of its inability to pay or shall become unable to pay its debts generally as they fall due, or become bankrupt or insolvent, or file any petition or action for relief under any bankruptcy, re-organisation or insolvency law.
- (iv) In the case of a company, if proceedings are started for the Borrower's winding-up, dissolution, or re-organization (otherwise than while solvent and on terms previously approved

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in writing by the Lender) or for the appointment of a receiver, trustee or similar officer of any or all of the Borrower's revenues and assets.

- (v) Any of the Borrower's indebtedness is not paid on its due date or becomes due prior to its stated maturity or any guarantee given by the Borrower is not honored when due or called upon.
- (vi) Any governmental or other consent or exemption required to enable the Borrower to perform its obligations under this letter and/or the security documents is withdrawn or modified or it becomes for any reason unlawful for the Borrower to perform any of those obligations.

15. Registration of securities

For the purposes of security registration, the borrower hereby expressly authorizes the lender to register the movable and immovable asset (as described in article 7) on her/his/its behalf.

All fees and other expenses on this occasion will be borne by the borrower and payable upon notice by the Bank.

16. Remedies in case of default of payment

In case of failure to pay the interests and capital 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 by the law No 13/2010 of 07/05/2010 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 enacted by competent authorities.

17. Mortgage rules

The borrower undertakes to accomplish all the necessary procedures required to obtain the title deeds of the plots mentioned in this offer 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 but 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 these title deeds.

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

The mortgage includes even the immovable 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.

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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 explosion, lightning etc.The borrower shall inform the insurance company about the mortgage in favor of the Bank and hand insurance policies to the bank. The Borrower authorizes the bank to debit its account, which is held at the Bank, for amounts due arising from insurance premiums paid for the renewal of policies of the Borrower. Note that the bank shall incur no liability related to the exercise of this authority. The Borrower undertakes to ensure that the account will have sufficient funds, by the dates when these premiums are due, to make this debit possible.

The payment of premiums to renew insurance policies is a condition for maintaining the facility accorded to the Borrower.

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.

18. Set off, combination or consolidation of accounts

The Lender shall be entitled (but shall not be obliged) at any time and without notice to the Borrower to combine, consolidate or merge all or any of the Borrower's accounts and liabilities with and to the Lender anywhere whether in or outside the Republic of Rwanda and may transfer or set off any sums in credit in such accounts in or towards satisfaction of any of the Borrower's liabilities whether actual or contingent, primary or collateral notwithstanding that the credit balances on such accounts and the liabilities on any other accounts may not be expressed in the same currency and the Lender is hereby authorized to effect any necessary conversions at the Lender's own rate of exchange then prevailing.

19. Use of borrower's currencies on different accounts

The bank has got the right to use the borrower's money in different currencies from different accounts in Equity Bank Rwanda Plc to pay the loan as it falls due without seeking an authorization from the borrower. The prevailing exchange rate on that date shall be applicable.

20. Use of employee terminal benefits

The borrower authorizes the bank to use their last salaries and terminal benefits in reducing the outstanding loan in case of loss of employment where applicable.

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21. Applicable law, severability, resolution, resolution of disputes and jurisdiction

The present agreement is governed by the law of the Republic of Rwanda. If a provision of this agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the validity or enforceability in other jurisdictions of that provision or any other provision of this agreement.

This Agreement and all Loan Documents represent the final and entire Agreement between the Lender and Borrower and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof, including any term sheet entered into by Lender and the Borrower. This Agreement and all Loan Documents may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements between the Lender and the Borrower. There are no unwritten agreements between the Lender and Borrower.

Borrower and the Bank irrevocably agree that any dispute relating to the interpretation or performance of this Agreement that cannot be settled amicably will be referred to the Courts of the Republic of Rwanda.

22. Confidentiality

The Borrower hereby agrees to treat as confidential all information (except those information required to be disclosed by law) received under this Agreement. Upon the expiration or termination of this Agreement, the obligations of the Borrower shall survive with respect to such information of the Bank disclosed hereunder until such time the respective information becomes publicly known and made generally available through no action or inaction of the Borrower.

23. Interpretation Clauses

Should the Parties at any stage change legal status, name, address or ownership, under which this Agreement has been executed, each Party undertakes to notify the other in writing, by registered post, within 7 (seven) days from the date that the change became effective. Guilty party furthermore indemnifies the innocent party against any loss or damage, which may result from such change or from any failure on its part to notify the other of such change.

24. Language and translations

This Agreement is made in the English language only. This Agreement may be translated for the purposes of convenience and for application for any government approval. If there shall arise any conflict between the English version and any translation thereof, the English version shall prevail

25. Negotiation and preparation of this agreement

This Agreement and all Loan Documents are the result of negotiations between the contracting parties and have been reviewed by both the Borrower and Lender and are the products of all parties; accordingly, they shall not be construed against Lender merely because of Lender’s involvement in their preparation.

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26. Acceptance

The signatures below certify acceptance of the above terms and conditions of this Agreement

The Parties.

Equity Bank Rwanda Plc

Borrower's name

XXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXX

Authorized signatory

Spouse

XXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXX

Authorized signatory

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