

**INTEREST-BEARING -LOAN CONTRACT N° ...../2023**

This contract (hereinafter called the **contract**) is made by and between :

1. **COMPAGNIE GENERALE DE BANQUE (COGEBANQUE) PLC**, a company duly incorporated under the laws of the Republic of Rwanda, with Company code 100005973, with its head office situated at Kigali, P.O. Box. 5230 Kigali, hereby officially represented by ..... and ....., respectively ..... and ....., by virtue of powers conferred upon them by the Board of Directors, herein called « **The Bank**», where the context admits its successors and assigns, the contractor on the first part;
  
2. ...., whose registered address is ..... District, .....Sector, with TIN n° ..... represented by Mr. ...., Managing Director, whose address is in ..... District, .....Sector, ..... Cell, ..... Village, holder of Identity card n° ..... issued at ...../....., herein called « **The Borrower** », where the context admits its successors and assigns, the contractor on the second part;
  
3. .... and ....., whose registered address is ..... District, ..... Sector, ..... Cell, ..... Village, respectively holders of identity cards n° ..... and ..... both issued at ..... /....., herein called « **the Guarantors**», the contractors on the third part.

NOW THEREFORE, the parties hereto agree as follows:

**Article 1: Purpose**

The Bank agree to issue, on behalf of the borrower, a payment guarantee renewal to be issued to .....

**Article 2: Facility amount**

The Bank grants to the borrower a payment guarantee amounting to ..... (RWF .....) over 12 months at 2% flat per semester, minimum RWF 50,000 (guarantee fees).

**All charges are tax exclusive. They are borne by the borrower**

• **Conditions precedent:**

- ✓ Board resolution of shareholders of ..... to borrow and mortgage the collateral;
- ✓ Disbursement to be done upon presentation of signed contract with payment domiciled to COMPAGNIE GENERALE DE BANQUE (COGEBANQUE) PLC;
- ✓ Joint and several guaranty of shareholder(s) of .....
- ✓ All related insurances to be availed prior to draw down;
- ✓ Any document the Bank may find necessary in relation to the guarantee and require the Borrower to provide it before the issuance of the guarantee;

The Bank shall not be liable for any loss suffered by the borrower due to the delay or non-fulfilment of one or all conditions precedent at the satisfaction of the Bank.

• **Condition subsequent**

Assignment of business receivables into the books of COMPAGNIE GENERALE DE BANQUE (COGEBANQUE) PLC.

**Article 3: Collaterals and comforts**

The borrower and the guarantor agree to secure the facility with the following securities as conditions precedent to drawdown:

1. A mortgage on the first rank on the plot with UPI n° ..... located at .....village, ..... Cell, ..... Sector, ..... District, belonging to ..... and .....
2. Subscription to fire and allied perils insurance of the properties on plots with UPI:.....;.....;..... and ..... with an article stipulating assignment of interests in favor of the bank (article 15 of the present contract);
3. Subscription of personal accident insurance of ..... with an article stipulating assignment of interests in favor of the bank (article 15 of the present contract);

4. Joint and several guaranty of shareholders of ..... and ....., ..... and .....;
5. Board resolution of ....., ..... and ..... to borrow and to mortgage collateral;
6. Domiciliation of all business proceeds in COMPAGNIE GENERALE DE BANQUE (COGEBANQUE) PLC;
7. Corporate guarantee of .....

**Article 4: Mortgaging details**

The borrower and the guarantor(s) hereby authorize the Bank to up stamp mortgage registration on above plot amounting to ..... expiring on .....

The validity of the valuation report is three (3) years from the valuation date. The borrower and the guarantor(s) undertake(s) to renew and submit to the Bank the updated valuation report(s) of the mortgaged property 30 days before its expiration

The mortgage up stamping expenses, as well as other potential charges related to the implementation, monitoring and the recovery of the facility granted to them by the Bank shall be borne by the borrower.

**Article 5: Covenants**

The borrower covenants and undertakes that:

During the contractual period, he/she shall always make available a provision of 2% on his account number ....., in every 6 months from the effective date of the Bank guarantee, for the payment of the commission in accordance with article 2 of this contract. Failure to do so, the aforesaid commission plus a penalty of 2%/per month applicable to the commission shall automatically be debited to the account of the borrower.

In case the guarantee is called on, the Bank shall immediately debit the account of the borrower and pay the beneficiary of the guarantee, then the Bank shall start immediately the recovery process against the borrower.

**Article 6: Title remittance and lease assignment**

The borrower and guarantor(s) accept to furnish to the Bank the original copy of land lease contract on the above plot. The borrower and guarantor(s) also undertake to submit to the Bank potential rent contracts on the building and accordingly, they accept to assign rent proceeds that they would collect from the said building.

**Article 7: Exclusiveness of the ownership**

The guarantor(s) declare(s) that they are the exclusive owners of the property above and are free of any privileged liability or guarantee whatsoever, and that they do not have an obligation worthy of legal mortgage privileged than the present, neither towards the government of Rwanda nor towards whomsoever. Mortgage granted in favor of the Bank extend to adjacent building that the borrower and guarantors may join to the mortgaged building to be encumbered with then as a single building. The owners are not allowed to create a single building property described above with any of the other buildings if they are themselves mortgaged.

**Article 8: Credit reporting system**

The Borrower and the guarantor(s) expressly consent(s) and allow(s) the Bank to forward personal data and credit information to licensed credit reference bureaus in accordance with the Law N° 73/2018 of 31/08/2018 governing credit reporting system.

**Article 9: Clause of non-alienation**

Mortgaged property may not, without prior written authorization of the Bank, be alienated for any reason whatsoever, the property cannot be mortgaged, encumbered in any way, or leased for more than three years, nor be leased at rents below the normal rent.

**Article 10: Penalties for delays**

A delay in payment of the commissions provided under article 2 of this contract when it is due, shall automatically run a default interest of 2% per month, which may be reviewed by the Bank from time to time. These penalties shall continue to accrue until the date of the actual payment. Such interest shall be payable at any time on demand and the Borrower hereby confirms and acknowledges that this additional interest represents a reasonable estimate of the loss to be suffered by the Bank in funding the default of the Customer. The revision of the said rate by the

Bank shall be notified to the borrower if it arises by publication in newspapers or by posting on the premises of the Bank.

**Article 11: Default**

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

- (i) The failure of the Borrower to observe or perform any of their obligations under the guarantee issued on his/her behalf and/or security documents;
- (ii) If any circumstances arise which in the opinion of the Bank have or may have a material adverse effect on the Borrower's ability to perform their obligation under this letter and/or the security documents;
- (iii) The Borrower admits in writing of their inability to pay or shall become unable to pay their debts generally as they fall due, or become Bankrupt or insolvent, or file any petition or action for relief under any Bankruptcy, re-organization or insolvency law;
- (iv) In case of a company, if proceedings are started for the Borrower's winding-up, dissolution, or re-organization (other than while solvent and on terms previously approved in writing by the Bank) or for 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 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 their obligations under this contract 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.

**Article 12: Remedies in the event of default of payment**

In case the borrower fails to honour his obligation under the contract and obligations therein the guarantee issued on his/her behalf, the Bank shall have power to manage, lease, sell, or take over the assets managed 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 outlined in the applicable law and/or enacted by competent authorities.

### **Article 13: Waiver of Mortgage**

After the clearing of the commitments, the Bank agrees to waive, on demand of the borrower, the guarantee covering the said commitments by proceeding to deregistration of the mortgage.

### **Article 14: Fees**

All expenses whatsoever arising directly or indirectly from the performance of this contract and its aftermath, including the costs of release, are borne by the borrower. All expenses incurred from litigation, including attorney's fees and bailiffs, shall be borne by the borrower.

### **Article 15: Insurances**

The property mentioned above that the borrower and guarantors agree to maintain in a state of perfect service have to be insured against the risk of fire, earthquake, lightning and explosions and in exchange to their reconstruction value, and to provide loan protection insurance to the benefits of the Bank. The borrower agrees to maintain and renew the insurance and to pay regular premiums and fees, and submit the receipts to the Bank within (30 days) before expiration date. The borrower also agrees to notify the insurers, through the Bank, the entry made in favor of the latter, and make him transfer the benefits of policies purchased, up to the amounts owed and deliver to the Bank such policies. In case of non-repayment of an annual premium in accordance with the terms and conditions of the policy, the Bank may make advance in the name and on behalf of the borrower. The advance will increase the commitment and outstanding capital. No Bank responsibility may result from the performance or non-performance of this right.

### **Article 16: Responsibility**

By signing this contract, the borrower and the guarantor(s) who are simultaneously the sureties are committed jointly and severally. In case of separation, in any manner whatsoever, the Bank may pursue either of them for the repayment of sums due; the pursuit will be indiscriminate and will remain unaffected by the consequence of their separation.

### **Article 17: Use of borrower's currencies on different accounts**

The Bank has the right to use the borrower's money in different currencies from different accounts in our books to pay the loan as it falls due without seeking further authorization. The prevailing rate on that date shall be applicable.

**Article 18: Representations and Warranties**

- The Borrower confirms, represents and warrants that all statements and other information of documents provided in connection with this application for Bank guarantees are true and accurate and undertakes full responsibility for and accepts all consequences of any inaccurate or untrue statement, information or document.
- The Borrower has obtained from Bank all the necessary pre-Contract explanations on the terms and conditions applicable to this Contract.
- This Contract has been freely entered into by the Borrower, and it constitutes binding and enforceable obligations for the Borrower, its successors and permitted assignees.
- At the Signing Date, the Borrower and the guarantors are not under mandatory enforcement and/or bankruptcy procedures, and such procedures are not likely to occur, and the Borrower will immediately notify the Bank on the occurrence of any event that may lead to the risk of the start of mandatory enforcement and/or bankruptcy procedures.
- The Borrower will immediately notify the Bank on the occurrence of any event that may lead to the risk of a significant loss/reduction of the Borrower's income, declared in the initial loan application to Bank as well those to be submitted with respect to any subsequent creditworthiness assessment that may be made by the Bank.

The Borrower and the guarantors shall immediately notify the Bank on any change of its details noted here in this Contract.

**Article 19: Notice**

Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in

person or to an authorized representative of the Party to whom the communication is addressed, to his registered residence mentioned in this contract or any other available address or email provided by the party him/herself to the Bank.

The Borrower undertakes to inform the Bank of any change in the address. In case of no communication about the new address; any notice, request or consent shall be deemed delivered to the borrower if it is notified at the actual address provided in this contract.

Without prejudice to the physical addresses mentioned in the above provisions of this contract, the borrower erects the below contacts to be used for all related communication:

- Email.....
- Tel: .....

**Article 20: Prohibition of the child labor**

During the contractual period, parties agree to respect labor law requirements on the prohibition of child labor in accordance with the law No N° 66/2018 of 30/08/2018 regulating labor in Rwanda and other child labor protection laws and conventions ratified by Rwanda.

**Article 21: Severability**

In the event, any provision of this contract is deemed invalid or unenforceable, in whole or in part, that part shall be severed from the remainder of the contract and all other provisions should continue in full force and effect as valid and enforceable.

**Article 22. Governing Law**

This Contract, its meaning, interpretation, performance and the relation between the Parties shall be governed by the Laws of Rwanda. All what is not provided for by both this contract and rules and regulations governing loan proceeding, shall be governed by the laws of Rwanda as well.

**Article 23: Dispute resolution**



Both parties agree to settle amicably any dispute that may arise from this contract. Should the dispute persist for the period of 30 days after the 1<sup>st</sup> attempt of the amicable settlement, the matter shall be referred to the competent Rwandan court in Kigali.

**Article 24: Authentic act**

This contract is authenticated by the **Private Notary** and the costs thereof shall be borne by the borrower.

**Article 25: Enforcement**

This contract comes into force at the time of signature.

IN WITNESS WHEREOF, the parties hereto, acting on their behalf or through their duly authorized representatives, have caused this Contract to be executed in their respective names, and delivered in 3 copies, on this ...../...../.....

For .....

**For COMPAGNIE GENERALE DE  
BANQUE (COGEBANQUE) PLC**

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**The Guarantors**

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**NOTARY ACT NUMBER .....**

**VOLUME ..... OF .....**

We, ....., certify that the act entailing clauses above stated has been presented to us by:

1. **COMPAGNIE GENERALE DE BANQUE (COGEBANQUE) PLC**, a company duly incorporated under the laws of the Republic of Rwanda, with Company code 100005973, with its head office situated at Kigali, P.O. Box. 5230 Kigali, hereby officially represented by ..... and ....., respectively ..... and ....., by virtue of powers conferred upon them by the Board of Directors, herein called « **the Bank** », where the context admits its successors and assigns, the contractor on the first part;
  
2. ...., whose registered address is ..... District, .....Sector, with TIN n° ..... represented by Mr. ...., Managing Director, whose address is in .....0 District, .....Sector, ..... Cell, ..... Village, holder of Identity card n° ..... issued at ...../....., herein called « **The Borrower** », where the context admits its successors and assigns, the contractor on the second part;
  
3. .... and ....., whose registered address is ..... District, ..... Sector, ..... Cell, ..... Village, respectively holders of identity cards n° ..... and ..... both issued at ...../....., herein called « **the Guarantors** », the contractors on the third part.

In presence of ..... and ....., both agents of the Bank, witness as and meeting all conditions required by the law Reading the act contents having been made to subscribers and witnesses, the subscribers have declared before us and before the witnesses that the act as it is composed fully expresses their will. In witness whereof, this act was signed by the appearing parties, witnesses, ourselves, and the notary and contains the seal of the private notarial office.

**The Parties**

**For COMPAGNIE GENERALE DE  
BANQUE (COGEBANQUE) PLC**

**For .....**

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**The Guarantors**

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**Witnesses**

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**The Notary**

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**Fees related**

The Deed fees: Three Thousand Rwandan Francs registered by us, ....., under number ....., volumes ... having the cost of ....., collected on receipt n° ..... of ....., issued by COMPAGNIE GENERALE DE BANQUE (COGEBANQUE) PLC.

**The Notary**

.....

**Mailing fees:**

FOR AUTHENTIC SHIPMENT WHICH COST SIXTEEN THOUSAND FIVE HUNDRED RWANDAN FRANCS CHARGED FOR AUTHENTIC MAILING ON THE SAME RECEIPT.

**The Notary**

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