

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

This CONTRACT hereinafter referred to as the “Contract” is entered into 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 in ....., District, .....Sector, ..... cell, .....village, registered under TIN no ....., represented by ....., the Managing Director, 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. ...., whose address is in ..... Province, ..... District, ..... Sector, ..... Cell, ..... Village, holder of Identity card n°..... issued at ...../....., herein called « **The Guarantor** », the contractor on the third part;
4. .... and ....., whose address is in ..... Province, ..... District, .....Sector, ..... Cell, ..... Village, respectively holder of Identity card n°..... and ..... issued at ...../....., herein called « **The Guarantor** », the contractor on the third part.

NOW THEREFORE, The Bank agrees to extend a term loan to the Borrower, on the terms and conditions set forth or referred to in this Contract:

**Article 1: Purpose**

The Bank has granted to the Borrower a term loan facility to be used solely for the purpose of .....

**Article 2: Facility amount**

The Bank grants to the borrower a term loan amounting to ..... (RWF .....), including outstanding balance of .....subject to:

- ✓ **Collateral perfection;**
- ✓ **Spouse’s joint and several guaranty;**
- ✓ **Assignment of all business proceeds to COMPAGNIE GENERALE DE BANQUE (COGEBANQUE) PLC.**

**Article 3 : Financial conditions**

- Interest Rate: COGEBANQUE Base rate +**3.5%** which is equivalent to **18.5%** per annum, payable monthly. The interest rate is subject to the review by the Bank based on money market trends;
- Interest on arrears (principal, interest, commissions) of 2% per month;
- Loan processing fee: 0.25% of the loan amount once off (minimum RWF 100,000) ;
- Management fee of 0.20% per month on the loan amount;

- Payment of a commission: 8% in event of loan takeover by another financial institution;
- Payment of a commitment fee: 0.50% per quarter on the undisbursed credit after the signing of the loan agreement;
- Cancellation fee after signing the loan contract: 1% of the cancelled amount (minimum RWF 100,000, maximum RWF 5,000,000).
- Payment in advance of restructuring fee: 2% of the restructured loan amount in the event of restructuring the loan.

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

**Article 4 : Repayment terms**

The term loan disbursed by the Bank is repayable as follows:

- a) **The repayment period** : .....Months
- b) **Repayment** : **Monthly basis**
- c) **Instalment amount approximately: RWF** .....
- d) **First installment date** : .....
- e) **Last installment date** : .....

**The actual repayment date and amounts shall be dependent on the dates of actual signing of the contract and its return as well as fulfillment of conditions precedent.**

The Borrower undertakes to do the following:

- a) Repay the principal plus interests on due date through the account number ..... opened with COMPAGNIE GENERALE DE BANQUE (COGEBANQUE) PLC in the names of .....
- b) To provide the necessary provision for the payment of insurance premiums against fire and Special perils and life insurance as stipulated in Article 16 of this contract;
- c) Assign total proceeds to COMPAGNIE GENERALE DE BANQUE (COGEBANQUE) PLC;
- d) Security to be duly perfected prior to any disbursement;
- e) In case of expropriation of any of the property securing the loan, the compensation will be payable to COMPAGNIE GENERALE DE BANQUE (COGEBANQUE) PLC to reduce the outstanding balance by the compensated amount.

**Article 5: Collaterals and comforts**

The borrower and the guarantor(s) agree(s) 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 ..... Cell, .....Sector, .....District, belonging to .....
2. A mortgage on the first rank on the plot with UPI n° ..... located at ....., ..... Cell, .....Sector, .....District, belonging to ..... and .....
3. Subscription to fire and special perils insurance policy covering the above plots with an article stipulating assignment of interests in favor of the Bank (article 16 of the present contract);
4. Subscription to life insurance of ..... with an article stipulating assignment of interests in favor of the Bank (article 16 of the present contract);
5. Joint and several guaranty of .....
6. Assignment of all business proceeds in the books of COMPAGNIE GENERALE DE BANQUE (COGEBANQUE) PLC.

**Article 6: Mortgaging details**

The borrower and the guarantor(s) hereby authorizes the Bank to secure mortgage registration on plots with UPI n°..... and ....., 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 registration expenses, as well as other potential charges related to the implementation, monitoring and the recovery of the facility granted to him/them by the Bank shall be borne by the borrower.

**Article 7: Title remittance and lease assignment**

The borrower and guarantor(s) accept to furnish to the Bank the original copies of land lease contract(s) of the above plot(s). 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 8: Exclusiveness of the ownership**

The borrower and guarantor(s) declare that they are the exclusive owner(s) of the property above and are free of any privileged liability or guarantee whatsoever, and that she does 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 buildings that the borrower and the guarantor(s) may join to the mortgaged building to be encumbered with then as a single building. The owner(s) is not allowed to create a single building property described above with any of the other building if they are themselves mortgaged.

**Article 9: Credit reporting system**

The Borrower and the guarantor(s) expressly consent and allow the Bank to forward personal data and credit information to licensed credit reference bureaus in accordance with Law no. 73/2018 of 31/08/2018 governing credit reporting system in Rwanda.

**Article 10: 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 11: Penalties for delays**

A delay in payment of sums due under the proposed facility on its due date automatically runs default interest 2% per month, which may be reviewed by the Bank, without prior notice. These penalties shall continue to accrue until the date of their 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 12: Default**

The following occurrences 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 Bank cancelled:

- (i) The failure of the Borrower to observe or perform any of her obligations under this contract and/or security documents;
- (ii) If any circumstances arise which in her opinion of the Bank have or may have a material adverse effect on the Borrower's ability to perform her obligations under this letter and/or the security documents;
- (iii) The Borrower admits in writing of her inability to pay or shall become unable to pay her 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) Any of the Borrower's indebtedness is not paid on due date or becomes due prior to his stated maturity or any guarantee given by the Borrower is not honored when due or called upon;
- (v) Any governmental or other consent or exemption required to enable the Borrower to perform her 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 13: Acceleration of Maturity**

Notwithstanding any other provision of this contract, The Bank may accelerate the maturity of the term loan, and the entire balance of principal and interest shall become immediately due and payable if the borrower ceases its normal business operations.

For the purposes of this contract, the borrower ceases its normal business operations, if it changes its lines of business, uses the proceeds of the loan for a purpose other than that specified in article 1 of this contract or contrary to the provisions of the applicable laws and regulations, is liquidated, dissolved or makes any similar action or makes an assignment for the benefit of creditors.

### **Article 14: Remedies in the event of default of payment**

In case of failure to pay the interest and capital as planned on the repayment schedule, 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 mortgage law and/or enacted by competent authorities.

### **Article 15: 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 16: Fees**

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

### **Article 17: Insurances**

Properties 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 the life insurance to the benefits of the Bank. The borrower and guarantors agree to maintain and renew the insurance and to pay regular premiums and fees, and submit the receipts to the Bank within thirty (30) days before expiration date. The borrower and guarantors also agree 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 18: 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 19: 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 20: 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 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 laws of Rwanda as well.

**Article 23: Dispute Resolution**

Both parties agree to settle amicably any dispute that may arise from this agreement. If after 30 days from the 1<sup>st</sup> attempt, the amicable settlement become unsuccessful, 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 signed in their respective names in Kigali, and delivered in 3 copies, on this ...../...../.....

The borrower

For COMPAGNIE GENERALE  
DE BANQUE (COGEBANQUE) PLC

.....

.....

.....

The Guarantor(s)

.....

.....

.....

.....

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 in ....., District, .....Sector, ..... cell, .....village, registered under TIN no ....., represented by ....., the Managing Director, 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. ...., whose address is in ..... Province, ..... District, ..... Sector, ..... Cell, ..... Village, holder of Identity card n°..... issued at ...../....., herein called « **The Guarantor** », the contractor on the third part;
4. .... and ....., whose address is in ..... Province, ..... District, .....Sector, ..... Cell, ..... Village, respectively holder of Identity card n°..... and ..... issued at ...../....., herein called « **The Guarantor** », the contractor 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 private notary.

**The Parties**

**The Borrower**

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

.....

.....  
.....

**The Guarantors**

.....  
.....

.....

.....

.....

**Witnesses**

.....  
.....

.....  
.....

**The Notary**

.....

**Fees related**

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

**The Notary**

.....

**Mailing fees:**

FOR AUTHENTIC SHIPMENT WHICH COST ..... CHARGED FOR AUTHENTIC MAILING ON THE SAME RECIEPT.

**The Notary**

.....