

**Date:**

**Our Ref.:**

**Borrower/Client:**

.....Borrower’s FULL legal name)

**ID, TIN, or REG number**

.....Village, ..... Cell,

..... Sector, ..... District

**Email:**

Telephone Number:

Account Number:

Dear Client,

**RE: LOAN OFFER LETTER**

Reference made to your application letter dated.....We, **I&M Bank (Rwanda) PLC**, a company registered under the laws of the Republic of Rwanda, with company code N° 100054122, having its office at KN 3 Av/9, P.O Box 354 KIGALI, herein after called the “**Bank or the Lender**” which expression shall include its successors in-title and permitted assigns, are pleased to inform you that the Bank has approved a facility in your favor amounting to Frw.....”**facility**” under the following terms and conditions:

**1. DETAILS OF FACILITY (IES) SANCTIONED**

The Bank hereby agrees to offer to the borrower a facility detailed as follows:

**1.1: Nature/Type of the facility:**

1.1.1: Limit/amount sanctioned:

1.1.2: Purpose of the facility

1.1.3: Tenor of the facility:

1.1.4: Repayments: (eg: monthly, quarterly, bullet payment etc....) repayment inclusive of any due principal, interests, penalties, fees and/or charges thereon.

In case the repayment date falls in the weekend or official holidays, the loan and its interests and charges shall be collected on the working day preceding the holiday or weekend.

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Notwithstanding the above terms, the facility is repayable immediately should an event of default (as defined in this offer letter) occur.

## 1.2 INTERESTS, FEES, AND COMMISSIONS

- 1.2.1: **Interest rate:** .....% per.....
- 1.2.2: **Management fee:**..% of the facility amount + VAT.
- 1.2.3: **Processing fee:**...% of the approved limit + VAT, payable upfront.
- 1.2.4: **Late registration of security:** .....% per month of the approved limit
- 1.2.5: **Default rate:** .....% per month over and above the contractual rate on any principal amount in arrears
- 1.2.6: **Prepayment penalty:** .....% flat on the principal loan amount prepaid in case the loan is taken over by another financial service provider.
- 1.2.7: The interest rates will be subject to periodic review and may be changed at the sole discretion of the Bank in line with prevailing market dynamics. The Borrower shall be notified on such changes. Any such change will not prejudice in any way the Bank's right to recover interest charged after such change.

## 2. SECURITIES AND CONDITIONS PRECEDENT TO DRAWDOWN

- 2.1. Mortgage first rank over the property (residential, commercial, warehouse, etc....) with UPI..... located in ..... District, ..... Sector, ..... Cell, ..... Village with UPI ..... registered in the names of Mrs. ....and Mr. ....
- 2.2. Fire, and allied perils insurance for above property (ies) indicating I&M Bank (Rwanda) Plc as the first loss payee.
- 2.3. A debenture on all assets (stocks).
- 2.4. Fire and allied perils insurance over the stock indicating I&M Bank (Rwanda) Plc as the first loss payee.
- 2.5. Personal guarantees of each company shareholder.
- 2.6. A Personal guarantee of Mr. ....
- 2.7. A promissory note of **FRW** .....
- 2.8. The borrower shall provide a notarized board resolution authorizing the borrowing and giving securities prior security perfection.
- 2.9. The Borrower shall provide a clean Trans Union (CRB) report of the company and its shareholders.

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- 2.10. The borrower shall provide a Tax Clearance Certificate from RRA.
- 2.11. The borrower shall provide an updated stock report prior disbursement.
- 2.12. Notarized agreement of the property owners lending their properties to be the collateral of the Bank.
- 2.13. Loan protection Insurance to cover the borrower with clause listing I&M Bank (Rwanda) Plc as the first loss payee prior disbursement.
- 2.14. Submission of a proof of Marital status of the property owner (s)
- 2.15. Joint surety guarantee of the Borrower's spouse.
- 2.16. The enclosed copy of this offer letter signed by the Borrower or on the Borrower's behalf by an authorized person or persons (by proxy or Board resolution) which signature shall signify the acceptance by the Borrower of the proposed facility on the terms and conditions of this letter.
- 2.17. Duly executed security documents and all securities are duly perfected, except where any deferral is herein granted.
- 2.18. The Borrower shall provide a copy of the employment contract.
- 2.19. The Borrower shall provide a salary certificate.
- 2.20. The Borrower shall submit a reference letter from his/her employer.
- 2.21. Loan protection Insurance to cover the borrower with clause listing I&M Bank (Rwanda) Plc as the first loss payee prior disbursement.
- 2.22. Submission of salary domiciliation instruction by the Borrower to his/her employer to channel the Borrower's salary, allowance, gratuity, benefits (including the terminal benefits) to his/her I&M Bank account until the facility is fully repaid.
- 2.23. Submission of proof of Marital status.
- 2.24. Joint surety guarantee of the Borrower's spouse.
- 2.25. Duly executed security documents and all securities are duly perfected, except where any deferral is herein granted.

**2.1.1. Rights of the Lender:**

- In case of failure by the Borrower to fulfill the securities and conditions precedent to the drawdown as mentioned above, the Lender reserves the right to suspend or cancel the disbursement of the facility in part or in whole.
- The Lender reserves the right to suspend or cancel the disbursement of facility in part or in whole in the following cases:
  - Diversion of the facility by the Borrower and use for purposes other than those mentioned in this offer letter;

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- Misrepresentation by the Borrower;
- Breach or failure to comply with the obligations herein by the Borrower
- The Lender reserves the right to suspend or cancel the disbursement of facility in part or in whole in the events that the Borrower is involved in unlawful or prohibited activities.

The Lender shall inform the Borrower of his decision to suspend or cancel the disbursement of the facility.

**3. OTHER CONDITIONS OF LENDING**

The Borrower hereby agree that, throughout the lending period, he/she/it shall comply with the following:

- 3.1. The Borrower shall comply with the terms and conditions of this offer letter and any security document hereto.
- 3.2. 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.
- 3.3. The Borrower shall provide any report or additional information reasonably deemed necessary and requested for by the Lender in support of the facility lending.
- 3.4. The Borrower undertakes to have properties/assets charged as security maintained in good condition, comprehensively insured at all times with a licensed insurance company approved by the Bank and the insurance policy or policies shall bear an endorsement showing the Bank as first loss payee at all times.
- 3.5. The Borrower undertakes to ensure that the pledges collateral/assets are adequately insured, and insurance are renewed regularly. Renewal of the insurance policies remains the obligations of the Borrower. Insurance must be renewed at least seven (7) days before the expiry date failure to which the Bank may at its sole discretion (not obliged to), proceed with debiting the Borrower's account and pay premiums for renewal of insurance policy. In case of insufficient funds to the Borrower's account, the account shall be overdrawn with such premiums and the overdrawn amount shall attract interests in accordance with the Bank tariff applicable at the overdraw time. The responsibility for renewal of Insurance policies shall in no event, be transferred to the Bank and the Borrower shall be held liable to cover the financial loss in case of occurrence of the non-insured event.
- 3.6. The Borrower undertake to submit valuation report (s) for any and all immovable properties securing the Facility at least once every (3) years, done by the approved

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- Valuers. The Bank shall also, if the circumstances so warrant, ask for periodic valuation of the said properties. In the event that this is not complied with, the Bank shall arrange for the same and shall debit the relevant charges to the Borrower's account. In case of insufficient funds to the Borrower's account, the account shall be overdrawn with such premiums and the overdrawn amount shall attract interests in accordance with the Bank tariff applicable at the overdraw time.
- 3.7. In case of expropriation of the mortgaged property, the proceeds shall be paid on the Borrower's account with I&M Bank (Rwanda) Plc. The Lender is hereby authorized to use the proceeds from expropriation to settle any loan outstanding amount (due and not yet due) and the balance (if any) shall be accessed by the Borrower.
- 3.8. The Borrower shall immediately inform the Bank on change which may occur to the property/assets pledged as collaterals, including but not limited to significant decrease value, change in ownership (as a result of change in civil status by the property owner or any other factor), which change is likely to affect the right of the Bank on the pledged/mortgaged properties.
- 3.9. Neither the Borrower nor any of its subsidiaries (in case of company) nor, to the knowledge of the Borrower, any director, officer, agent, employee or controlled Affiliate of the Borrower or any of its subsidiaries is currently targeted by any tax authority Sanctions. The Borrower will not, directly or indirectly, use the proceeds of the facility hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person, (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the target of Sanctions, or (ii) in any manner that will result in a violation by any person (including by any person participating in the offering, whether as underwriter, advisor, investor or otherwise) of Sanctions.
- 3.10. To the best of Borrower's knowledge, none of Borrower's or its Affiliates' properties contains any Hazardous Materials that, under any Environmental Law currently in effect, (1) would impose liability on Borrower that is likely to result in a Material Adverse Change or (2) is likely to result in the imposition of a Lien on any assets of Borrower if not properly handled in accordance with applicable Law. To the best of Borrower's knowledge, neither it nor any of its Affiliates is in violation of, or subject to any existing, pending or threatened investigation or proceeding by any Governmental Authority under any Environmental Law.

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- 3.11. The Borrower shall endeavor to officially communicate and seek consent of the Lender in case of prospected change of control of the Borrower. The consent of the Lender shall not be withheld unreasonably.
- 3.12. The Borrower shall (where applicable) comply with all laws, sector specific directives and international regulations safeguarding the environmental and social standards and shall provide documentary evidence as may be required by the Lender.
- 3.13. The Borrower declares that there is no investigation, litigation, arbitration proceedings started or threaten to start which over it or any of the collaterals, if adversely determined, would be reasonably likely to have a material adverse effect.
- 3.14. The Borrower confirms that there is no corporate action, other steps or legal proceedings started or (to the best of their knowledge and belief) threatened, for their winding up, dissolution, administration or reorganization or for the enforcement of any security or for the appointment of any receiver or similar officer.

**4. EVENT OF DEFAULT**

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

- 4.1 The Borrower fails to observe or perform any of its obligations under this offer letter or under any security document thereof.
- 4.2 Any diversion of facility funds to purposes other than the purpose of this facility.
- 4.3 Any representation or warranty made by the Borrower pursuant to this contract or under related security document or any statement, derived or made pursuant to it is incorrect when made.
- 4.4 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.
- 4.5 Any action is taken for or with a view to the winding up of the Borrower, or the Borrower becomes insolvent, or is unable to pay its debts as they fall due or enters into dealings with any of its creditors with a view to avoiding debt payments or in expectation of insolvency or stops or threatens to stop payments or an encumbrances takes possession or receiver is appointed for the whole or any material part of the property or assets of the Borrower.

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- 4.6 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.
- 4.7 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.
- 4.8 Control of the Borrower passing to any person or persons (including institutions or companies) either acting individually or in concert where the Lender is unwilling to give prior consent to the change of control.
- 4.9 The Borrower selling, transferring or otherwise disposing of the whole or any substantial part of its undertaking or assets herein, whether by a single transaction or a number of transactions without the prior written consent of the Bank.
- 4.10 It becomes unlawful or impossible for the Lender to maintain or fund the credit facility or any of them as contemplated by this contract or any of the obligations expressed as being assumed by the Borrower under this letter or the security ceases to be valid, legally binding and enforceable against the Borrower in accordance with their respective terms.

**5. REMEDIES IN CASE OF DEFAULT**

In the event that the Borrower shall fail to remedy to an event of default within 30 days of receipt of written default notice made to the Borrower by the Lender, the Lender reserves the right to cancel the credit facility, call upon immediate repayment of the full credit facility plus and interests, penalties, fees or charges thereon or execute securities and/or initiate legal proceedings against the defaulting Borrower and/or its guarantors.

**6. SET OFF, COMBINATION OR CONSOLIDATION OF ACCOUNTS**

The Lender shall have the right to set-off and/or consolidate credit balances in the borrower's accounts in any current with I&M Bank (Rwanda) Plc, to pay off any outstanding debts under the credit facility, 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

**7. APPLICABLE LAW, SEVERABILITY, RESOLUTION OF DISPUTES AND JURISDICTION**

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7.1 The present agreement is governed by the law of the Republic of Rwanda.

7.2 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.

7.3 Any dispute or controversy which may arising out of this contract shall be settled amicably by the Parties. Should the parties fail to settle the dispute within a 30-day period, the matter shall be submitted to the Court of competent jurisdiction within the Republic of Rwanda.

**8. CONFIDENTIALITY, DATA PROTECTION AND PRIVACY**

8.1 The Borrower agrees not to disclose to any third parties any information provided by the Bank in connection with this offer, except to those legally required.

8.2 By acceptance and signing this offer letter, the Borrower hereby consents to the Lender, the right to process, by computer or otherwise, any information obtained about the Borrower as consequence of credit facility.

**The Borrower consents and agrees that the bank may collect, process and share:**

- a) Personal data of the Borrowers in its systems which may be accessed by other companies in the banker's group for credit assessment, statistical analysis, credit behavior and scoring and to identify the products and services (including those supplied by third parties); and
- b) Permit other companies within the Bank's group to use personal data and any other information it holds about the Borrower on the Bank's customer systems to bring to its attention products and services which may be of interest to the Borrower.
- c) The Borrower further agrees that the Bank may disclose its data, including any personal data and /or information relating to the Borrower, including data and information relating to any transaction, documents or the assets, business or affairs of the Borrower, obtained before, during and after the continuance of this contract:
  - a) To licensed credit reference bureaus, other banks, financial institutions, credit card companies, including authorized agents, representatives or any creditor or regulator including the Central Bank of Rwanda.
  - b) To its external auditors and lawyers
  - c) To any competent organ as may be permitted or compelled to do so by law; and
  - d) To any other third party appointed for purpose of exercising any power, remedy, right of the Lender under or following the occurrence of an event of default.

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- 8.3 All personal data contained in this offer letter or to any other security document hereto, shall be processed in accordance with the Bank's Data Protection Policy and Privacy Notice. For a comprehensive understanding of how the Borrower's data is managed and data subject rights, please consult our Privacy Notice available on our website <https://www.imbankgroup.com/rw/wp-content/uploads/sites/4/2023/05/Privacy-Notice.pdf> or your nearest Branch.
- 8.4 The Borrower shall not lodge any claim whatsoever against the Bank for any loss, damage, fees or expenses suffered or incurred by the Borrower in relation to the release of any information by the Bank under this clause.

**9. MISCELLENOUS**

- 9.1 The offer hereby made is open for Borrower's acceptance within ten (10) days from the date of this letter. If the offer is not accepted and delivered to the Lender within that period, it shall at the sole discretion of the lender, be deemed to be withdrawn from the date of expiry thereof.
- 9.2 The present offer letter and any schedule hereto shall, upon execution by the Borrower, become a valid and enforceable contract between the Borrower and Lender.
- 9.3 The borrower is allowed of cooling off period not exceeding thirty (30) working days from the date of signing this offer letter, to reflect on the terms herein, failure, or silence to issue the feedback within that period will be considered an acceptance of the terms of the offer. The cooling off period shall only be possible before the credit facility disbursement is made.
- 9.4 The Borrower hereby agree that the terms and conditions of the facility may be varied or changed at any time at the option of the Bank, in the light of market conditions, with prior notice of 30 days to the borrower.
- 9.5 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.
- 9.6 The Borrower shall, where applicable and subject to fulfill the criteria and requirement by Borrower, be entitled to credit facility restructure in compliance with relevant laws and regulations. The terms of the restructured facility shall be agreed upon in a separate amendment to this offer.
- 9.7 Any notice or communication between the Lender and Borrower shall be channeled to the above-mentioned addresses of the Parties. The Borrower is required to promptly

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inform the Bank in case of change of address during the tenure of the credit facility, failure to which, communication made to the unchanged address shall have its legal full force and effect.

9.8 The Borrower is advised to seek for any clarification or advise whether legal or financial to facilitate the understanding and proper interpretation of the terms of this agreement. The Borrower's acceptance of this agreement shall signify the Borrower's full understanding and commitment to abide to the terms herein.

9.9 The Borrower shall meet notary cost and any other government charges and fees related to execution, completion, and perfection of this credit facility and/or securities provided.

9.10 The Borrower hereby agrees that all I&M Bank (Rwanda) Plc's commissions and fees are VAT exclusive. Where applicable any other regulatory tax shall be levied in addition to stated commissions and charges in this letter of offer.

**FOR: I&M BANK (RWANDA) PLC**

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**Signed and stamped by the Borrower:**

I hereby accept the terms and conditions of this Letter and confirm my intention to be bound by the same this.....day of .....20.....

**By**.....

*I, ..... certify that this document was signed by  
.....the authorized  
signatory(ies)*

*.....Signature.....*

Borrower's Signature.....

Bank's Signature.....