

LOAN CONTRACT N° -----/2025

This Agreement is entered into by and between:

LOLC UNGUKA FINANCE Plc, a deposit-taking microfinance company registered in accordance with Laws of Rwanda, TIN: **100500249**, P.O Box **6417**, Kigali, represented by -----, hereinafter referred to as the “**Company**”, on one part.

And

-----son/daughter of-----and of-----, having Identity card No.-----issued at-----/-----, living at -----, telephone: -----, hereinafter referred to as “**the Borrower**”, on the other part;

The undersigned parties agreed to the following terms and conditions of loan contract:

Article 1 : Purpose of this contract

1.1. This contract is entered into between the Company and the Borrower for the purpose of providing the Borrower with a loan equal to ----- Rwandan Francs (**FRW-----**) to be used for -----

Article 2: Cost of credit

2.1. The commission fees are calculated at a rate of -----% on the loan granted plus VAT. These fees may also be charged on the outstanding loan amount if the Borrower requires a loan restructure, extension of the payment period, consolidation of the loan, change of collateral, or any other request that leads to changes in the loan contract.

2.2. Interest on loans is calculated at a rate of -----% per year (declining). In the event of a late payment, the Borrower will be subject to a late interest charge of 4% per month, calculated on the amount in arrears.

2.3. The Company reserves the right to adjust the interest rate at any time during the term of the credit facility, provided that prior notice is given. This adjustment is based on prevailing market conditions.

2.4. If the Borrower declines to accept a modification to the interest rate, the loan contract will be terminated promptly. The principal loan amount, along with the accumulated interest, will become due and payable immediately.

Article 3: Loan term

This loan is repayable over a period of ---- months, with monthly payment of FRW ----- . The amount of the loan to be repaid may increase if the Borrower fails to make timely payments in accordance with the terms of the loan contract. The repayment date is set out in the attached loan repayment schedule, which forms an integral part of this contract.

Article 4: Source of repayment

The Borrower informs the Company that the repayment of the loan will come from ----- . Both parties agree that any change in the stated source of repayment shall not relieve the Borrower from any of its obligations under this contract. In the event of any change in the source of repayment, the Borrower shall immediately notify the Company and provide a new source of repayment to ensure compliance with the regular repayment schedule set forth in this contract.

Article 5: Obligations of Borrower

The Borrower's responsibilities include:

- a. to comply with the payment schedule as stated in clauses 2 and 3 of this contract;
- b. to transfer to the bank account opened with LOLC Unguka Finance Plc, the proceeds of business and other income derived from the activities that were the basis for granting this loan;
- c. to regularly maintain an annual fire insurance policy on the Collateral and to designate the Company as the first loss payee for insurance payments and to provide the Company with proof of payment of the insurance premium to the Company in order to show that he/she has complied with the obligation set forth herein
- d. If the Borrower fails to renew the insurance in a timely manner, the Company may renew the insurance on behalf of the Borrower and any premium paid will then be charged to the Borrower;
- e. take annual life insurance

Article 6: Rights conferred to the Company

The Borrower expressly permit the Company to apply to the Registrar General for registration of collateral referred to in article and the collateral will be registered in favour of the Company for periodyears before loan disbursement.

6.2 The Borrower and the Company agree that, during the registration period of the collateral mentioned in the previous paragraph, the Borrower may apply for an additional loan amount equal to the difference between the loan received and the loan amount paid. This will not require re-registration of the collateral. However, the Company reserves the right to assess the Borrower's motives and creditworthiness regarding repayment of the additional loan. The approved additional loan amount will not exceed 70% of the forced value of the collateral.

6.3. Each top-up loan will be granted to the Borrower after signing an addendum to the main loan contract. This addendum will indicate the additional loan amount that has been added to the existing loan amount.

The Borrower hereby grants the Company the right to deduct money from the Borrower's account at LOLC Unguka Finance Plc and offset it against any unpaid loan amount.

6.5. The Borrower hereby expressly consents and authorizes the Company to view, exchange, and communicate information pertaining to the Borrower's account(s) to credit reference bureaus and other competent authorities, as the Company deems necessary.

6.6. Without prejudice to the other provisions of this contract, any payment reminder notice fees incurred by the Company will be charged to the Borrower's account.

Article 7: Loan Recovery

7.1. The Company may initiate the process of loan recovery without waiting for the expiration of the loan term stipulated in Article 3 of this contract in case the Borrower commits the following:

- a. misrepresentation or violation of any of the provisions of this contract;
- b. loan diversion;
- c. delays in payment for more than two months;
- d. non-payment of annual fire insurance policy for the collateral;
- e. not take annual life insurance

7.2. The Borrower shall pay all costs and expenses incurred by the Company because of the Borrower's default and other costs and expenses arising from the contract and its consequences, including fees for mortgage registration and notarization of this contract.

7.3. If the loan is taken over by another financial institution, the borrower will be charged and pay to the Company a loan takeover fee (*frais de rachat*) equal to 10% of the outstanding loan balance on the takeover date. For this purpose, any additional interest payable by the Borrower will be calculated based on the Borrower's last payment.

Article 8: Amendment

This contract may be amended by mutual written consent of the parties. No amendment to this contract shall be binding on either party unless made in writing and signed by both parties.

Article 9: Governing law and dispute settlement

9.1. This contract shall be governed by and construed in accordance with the laws of the Republic of Rwanda.

9.2. The Company informs the Borrower that it has established a committee responsible for resolving disputes arising from the performance of this contract. The means and procedures for submitting a complaint to the above committee are available on the Company's social media platform and are also posted on the notice board of the Company's branches.

9.3. If the Company's Committee for the Settlement of Financial Consumer Complaints fails to resolve the dispute, the Borrower shall submit the complaint to the competent court.

Article 10: Final provision

10.1. This Loan Contract shall be signed in the presence of the Notary and shall be executed in triplicate, each party having one copy, all of which shall be of equal value.

10.2. The Borrower is given two (2) days to read the contract and seek advice before signing it.

Article 11: Effective date of this contract

This contract is effective upon signature by both parties.

Done at -----, on ----/----/2025

For the Borrower

For the Company