**TERM LOAN AGREEMENT**

**BETWEEN**

**…………….**

**AND**

**Guaranty Trust Bank (Rwanda) plc**

**TERM LOAN AGREEMENT**

THIS TERM LOAN AGREEMENT is made the ……………

Between

1. **……………………………**, a private company with Company Code: 103071582, represented by …………….., Lebanese Nationality, holder of Passport number: ……………. and the company’s place of business locates at Kigali – Rwanda, (hereinafter called “the **Borrower**”) of the one part;

**And**

**Guaranty Trust Bank (Rwanda) plc.,** a Company licensed by the Central Bank of Rwanda to operate as Financial with Company Code: 100003180, P.O. Box 331, Kigali –Rwanda, herein officially represented by Joel Gatanazi and Louis Hategekimana N.., respectively Head, Business Division and Head, Legal and Company Secretary; hereinafter called **“GTBank**” of the other part;

W H E R E A S:

The Borrower has applied to the Bank and the Bank has agreed to grant a term loan facility of the sum and for the purpose stated in the Offer Letter Ref.: nº LSD. 539/2019/BR/br dated October 11th, 2019 issued by the Bank to the Borrower for which this loan applies (“the Offer Letter”) subject to the terms and conditions hereinafter contained and as further stipulated in the Offer Letter.

NOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

1. **THE LOAN AMOUNT**

The Bank hereby agrees to lend and advance to the Borrower and the Borrower agrees to borrow the amount stated in the Offer Letter Ref.: LSD. 205/2021/KI/ki dated May 28th, 2021, including any subsequent offer letter issued by the Bank from time to time relating to this loan facility whether granting an increase or decrease of this loan facility.

2. **TENOR**

The tenor of the loan shall be for the period stated in the Offer Letter Ref.: LSD. 205/2021/KI/ki dated May 28th, 2021.

3. **INTEREST PAYMENT AND CAPITALIZATION**

1. The Borrower shall until full repayment of the facility pay to the Bank interest on such part of the

facility as may from time to time be outstanding at the rate and for the period stated in the Offer Letter Ref.: LSD. 205/2021/KI/ki dated May 28th, 2021 and such interest rate shall be subject to review in line with the Bank’s ruling interest rate as may be notified to the Borrower from time to time (“the specified rate”). Any change in the interest rate notified by the Bank to the Borrower shall be binding on the Borrower.

b) If any interest required by this Agreement to be paid shall not be paid on the day on which the same shall become payable then without prejudice to any or all of the rights and remedies accruing to the Bank consequent upon such default and without rendering such interest other than overdue and immediately payable without demand, the interest so in arrears shall thenceforth itself bear interest at the Bank's lending rate computed from the date the same became payable to the date on which it is in fact paid plus such other penal rates as shall be charged by the Bank at the sole discretion of the Bank, be at any time capitalised and added for all purposes to the facility hereby secured and bear interest accordingly until actually paid and all overdue interest whether capitalised or not and the interest charged thereon shall be secured in the same manner as the facility and all covenants provisions and remedies contained in and conferred by this Agreement and all rules of law and equity in relation to the facility and the interest thereon shall equally apply to such overdue interest and to the interest thereon.

4. **LOAN PURPOSE**

1. The Borrower shall apply the loan exclusively for the purpose stated in the Offer Letter Ref.: LSD. 205/2021/KI/ki dated May 28th, 2021.

 b) The Bank is not bound to monitor or verify the utilization of the facility. The Bank

 may, however, from time to time request that the Borrower provide it with

 information regarding the utilization of the facility and the Borrower shall promptly deliver such requested information.

5. **SECURITY/SUPPORT**

* First rank legal mortgage on commercial property with UPI: 1/02/11/04/2151 located at Ndera Sector, Gasabo District in the name of Africa Lubricant Manufacturing Company Ltd (ALMC) (mortgage perfection to be amended).
* Fire and open peril insurance over the pledged property noting Guaranty Trust Bank (Rwanda) plc as the first loss payee.
* Promissory note for the total facility amount plus accrued interest.

6. **CONDITIONS PRECEDENT TO DRAW DOWN**

The facilities shall become available to the Borrower after approval and upon receipt by Guaranty Trust Bank (Rwanda) plc of the following:

* Receipt of the letter from the Customer requesting for the new Term Loan facility and the renewal of all its facilities.
* Notarized Board Resolution of Africa Lubricants Manufacturing Company Ltd (ALMC Ltd) accepting the facility and naming those authorized to accept them on its behalf.
* Duly accepted Offer Letter signed by the authorized signatories of the Company.
* Duly executed Guaranty Trust Bank Standard Overdraft Agreement.
* Duly executed Guaranty Trust Bank Standard Time Loan Agreement for the existing facility.
* Duly executed Guaranty Trust Bank Standard Term Loan Agreement for the New Term Loan.
* Duly executed Guaranty Trust Bank Standard Existing Term Loan Agreement for the existing Term Loan.
* Fire and open peril insurance over the pledged property noting GTBank (Rwanda) plc as the first loss payee.
* Irrevocable domiciliation of 100% of the Customer’s sales proceeds to its current accounts in our books.
* Receipt of Tax Clearance Certificate
* A recent clean CRB report of the Company and its shareholders
* A promissory note for the total facility amount plus accrued interest.
* Duly executed letter of set-off signed by the Customer.
* Payment of all fees upfront.

7. **DRAWDOWN**

 a) Drawdown can only be made when all conditions precedent stipulated in the Offer Letter and this Agreement have been met.

 b) Drawdown on the loan may be made as and when required provided the request is in writing and executed by the duly authorized signatories of the Borrower.

 c) The Borrower agrees that if the facility remains undrawn for 90 days after the date of the acceptance of the Offer Letter by the Borrower, the facility shall automatically expire unless otherwise expressly stated.

8. **INSURANCE**

1. The Borrower shall maintain a comprehensive insurance over all its assets against loss or damage by fire, earthquake, rain or windstorm, tornado, civil commotion and provide the Bank with evidence of insurance upon request by the Bank. Provided that where all the assets or specific assets of the Borrower have been charged to the Bank as security for this loan facility, the Borrower shall maintain such insurance cover stated herein including such other risk as the Bank may from time to time consider necessary, in an insurance office approved by the Bank in the joint names of the Bank and the Borrower and the Borrower will duly pay all premiums for keeping such insurance. The Bank's interest as loss payee must be duly endorsed on the policy.
2. Where the Borrower is unable or unwilling to undertake such insurance cover as required above, it is hereby agreed that the Bank shall insure the assets and debit the Borrower’s account for the cost of the insurance.
3. The Borrower gives full power to the Bank to debit the customer’s account for the purpose of payment of insurance premium latest 15 days before the expiry date if not renewed by the customer and he/she/it also gives the power to the Bank to sign on those insurances on his/her/its behalf.

9. **OFFER LETTER**

 This Agreement shall be read in conjunction with the terms and conditions stipulated in

 the Bank's Offer Letter to the Borrower.

10 **TERMS OF REPAYMENT**

Subject to the terms and conditions contained herein, the Borrower shall repay the loan in the manner hereinafter appearing:

 a) The principal loan and interest obligation shall be serviced in accordance with the agreed repayment plan.

 b) The loan or any installment payment may be prepaid in whole or in part on any business day provided 10 (ten) days written notice is given to the Bank. Such prepaid installment shall be applied to the furthest maturities.

c) Amount prepaid shall not be re-borrowed.

d) Upon payment of the outstanding part of the loan together with interest thereon, the Bank shall at the request and cost of the Borrower duly discharge the Borrower from its obligations under this Agreement.

 e) It is agreed and understood that all the usual commission and customary banking charges on the loan as well as all costs and expenses incurred in connection with or incidental to the recovery of the loan shall be paid by the Borrower.

11. **OPERATING CONDITIONS**

1. If the facility or any due installment or charges are not repaid on due date, the Bank shall be entitled to apply its prevailing interest rate in addition to late payment charges on any unpaid sum. The rates and charges applied by the Bank shall be conclusive and binding on the Borrower.
2. The Borrower hereby agrees that the Bank shall be entitled to charge and apply all upfront fees and charges on any unpaid portion of the facility upon expiry without recourse to the Borrower.

12. **EVENTS OF DEFAULT**

Notwithstanding anything herein before contained the loan or balance thereof and other monies herein covenanted to be paid whether by way of interest or otherwise shall become immediately due and payable on the demand being made in respect of such or on the happening of any of the following events:

 a) If the Borrower makes default for a period of 7 (seven) days in payment of the loan or any installment or interest thereof which may have become due; or

 b) If any extra ordinary situation shall have arisen the continuance of which in the opinion of the Bank shall make it improbable that the Borrower will be able to perform its obligations under this Agreement; or

 c) If any execution or distress is levied upon or against the properties of the Borrower and not discharged within 7 (seven) days; or

 d) If the Borrower commits a breach of this Agreement and in the case of a breach capable of remedy fails to remedy the same within 7 (seven) days; or

 e) If the Bank shall be compelled by any National Bank of Rwanda's rules, regulations or directives to call the loan; or

 f) If there should in the opinion of the Bank be a material adverse change in the financial condition of the Borrower; or

 g) If any government consent required by law for the validity, enforceability or legality of this Agreement or the performance thereof ceases to be or is not for any reason in full force and effect. In any such event and at any time thereafter if any such event shall be continuing, the Bank shall be by written notice to the Borrower, declare that, that portion of the loan outstanding has become immediately due and payable whereupon the same shall become so payable together with interest accrued thereon; or

 h) if any order is made or an effective resolution is passed or a petition is presented for the Borrower's winding-up; or

i) If an encumbrance takes possession of or a Receiver is appointed over any part of the Borrower's undertaking and assets; or

 j) if the Borrower ceases or threatens to cease to carry on business; or

 k) Other conditions as per the Bank’s General condition regulating loans

13. **OUT OF POCKET EXPENSES**

The Borrower shall reimburse the Bank for all reasonable out of pocket expenses, costs and charges incurred by the Bank in connection with the preparation, execution, administration and enforcement of this loan agreement including but not limited to solicitors fees, stamp duties and registration fees. Such charges and costs shall be added to the loan and other moneys owing under this Agreement and shall bear interest accordingly.

14. **NOTICE**

1. Any notice or demand shall be sufficiently given provided it is in writing and given under the hand of any manager or officer of the Bank and sent by post, hand delivered, or emailed to the Borrower at the address given in this Agreement or any such address known to the Bank and every such notice or demand so made shall be deemed to have been made on the day the notice was posted, hand delivered or emailed.
2. This Agreement shall not be determined, limited or affected by reason only of notice of the liquidation or bankruptcy of the Borrower but shall notwithstanding such notice extend to all advances or payments made by and all moneys becoming or accruing due or owing to the Bank at any time thereafter until the expiration of three calendar months from the delivery of notice in writing by the Receiver or Liquidator of the Borrower to the Bank not to make any further advances or payments on this Agreement.

15. **TAXES**

All payments whether of principal interest or otherwise are to be made free and clear of and without deduction of any taxes, duties, charges, fees, deductions, withholdings, set-offs, counter-claims, restrictions or conditions of any nature. If at any time any provision of the law or any taxing authority shall require the Borrower to make any such deduction or withholding from any such payment then the sum due from the Borrower in respect of such payment shall be increased to the extent necessary to ensure that after the making of such deductions or withholding, the Bank receives a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made.

16. **CHANGE IN CIRCUMSTANCES**

a) If any change in the law or administrative regulations applicable to this Agreement or any interpretation by the courts of law makes it unlawful for the Borrower to perform their obligations hereunder then:

(i) The Bank shall be discharged from all obligations towards the Borrower hereunder and its commitment reduced to zero.

(ii) The Borrower shall repay to the Bank forthwith the outstanding principal amount of the loan together with accrued interest thereon and any accrued but unpaid commission.

 b) The Bank shall have a right to review the terms of this relationship, including terminating forthright this facility and demanding the repayment of the outstanding amount in any of the following circumstances:

 (i) If there is a change in the shareholding structure of the Borrower, whether or not such change results in the change of ownership/control of the Borrower, or if in the opinion of the Bank, there is a reasonable indication that there may be a change in ownership or control of the Borrower sometime in future; or

* 1. If any person or persons assumes custody and /or control of all or any substantial part of the business, operations, property or other assets of the Borrower or its share capital by direct acquisition of interest in the Borrower or otherwise; or takes an action for the dissolution of the Borrower or any action that may in the Bank’s opinion prevent the Borrower or its officers from carrying on all or a substantial part of its business or operations.

17. **COVENANTS, REPRESENTATIONS AND WARRANTIES**

 The Borrower hereby makes the following covenants representations and warranties in favour of the Bank:

1. That the Borrower has the power to enter into and perform this Agreement and to borrow hereunder and has taken all necessary action to authorize the borrowing of the facility upon the terms and conditions of this Agreement and to authorize the execution, delivery and performance of this Agreement in accordance with its terms.
2. That all consents, licenses, approvals, or authorizations of any governmental authority, bureau or agency required in connection with the execution, delivery, performance validity or enforceability of this Agreement have been obtained and are valid and subsisting.
3. That all the information relating to the Borrower or otherwise relevant to the matters contemplated by this Agreement which has been supplied to the Bank by the Borrower is true and correct in all material respects and contains no material omission.
4. That the Borrower shall not mortgage, pledge or subject to any lien or encumbrance any of the Borrower’s properties and assets now owned without either securing the Bank's outstandings on a pari-passu basis or giving other security acceptable to the Bank.
5. That the Borrower shall promptly upon becoming aware of them, deliver to the Bank details of any litigation, arbitration or administrative proceedings which are current, threatened or pending and which might, if adversely determined, have a material adverse effect in relation to the Borrower.
6. That the Borrower shall provide the Bank with a copy of its audited Balance Sheet and Profit and Loss Account within 120 days of the end of each financial year.
7. That the Borrower shall provide the Bank quarterly with a copy of its management accounts and any other information, which may be reasonably required from time to time with regard to the Borrower’s business affairs.
8. That the Borrower shall not enter into any merger or consolidation, or sell or lease all or a substantial part of the Borrower’s assets without obtaining the Bank’s prior written consent.
9. That the Borrower shall maintain a ratio of current assets to current liabilities of not less than 1 to 1 both as determined in accordance with generally accepted principles of good accounting practice, and applied on a basis consistent with that of prior years, except that for the purpose of this covenant, current liabilities shall include the portion of any term loans which will be due for repayment during the course of the next twelve months.
10. That the Borrower warrants that acceptance of the Facility and the drawing of any part thereof does not and will not constitute an event of default under of an existing law or regulation.
11. That the Borrower warrants that it is not in default under any agreement to which it is party, which would have a material adverse effect on the Borrower’s business or financial condition.
12. That the Borrower undertakes to provide the Bank with further security if at any time the value of the security provided is not commensurate with the facility amount or in the alternative agree for the Bank to reduce the facility amount
13. That the Borrower undertakes to continue to improve on its business relationship with the Bank through the operation of its current account with the Bank.

18. **BENEFITS OF AGREEMENT**

 a) This Agreement shall be binding upon the Borrower and its successors–in-title and permitted assigns and shall inure to the benefit of the Bank and its successors and assigns provided that the Borrower may not assign or transfer any of its rights and benefits hereunder save with the prior written consent of the Bank.

b) The Bank may at any time with prior written notice to the Borrower assign all or

any part of its right and benefits hereunder to any one or more Banks or other lending institutions (each of which is hereinafter called a "Participant") for the consideration that each such participant shall perform the Bank's rights and benefits assigned to such participant and for this purpose the Bank may disclose to the potential participant such information about the Borrower as the Bank shall consider as appropriate.

 c) If the Bank shall assign its rights, benefits and obligations hereunder as provided above, all references of this Agreement (other than in this clause) to the Bank shall be construed as a reference to the Bank and its participant(s) to the extent of their respective participation PROVIDED THAT the Borrower shall not by reason of any such participation be obliged to make any payment hereunder otherwise than to the Bank or be under any greater obligations than those it would have been under in the absence of such participation.

19. **INDULGENCE**

 The Bank may without prejudice to its rights herein enter into any Agreement for giving of time or other facilities to the Borrower for the repayment of the facility or other monies hereby covenanted to be paid or any part thereof and may release or compound for the same with the Borrower or any person, company or corporation liable to pay the same.

20. **REMEDIES AND WAIVERS**

Failure and/or delay on the part of the Bank to exercise any right, power or privilege created by this Agreement shall not operate as a waiver thereof. The Agreement hereby created shall not be affected by any failure by the Bank to take any security or by any existing or future agreement by it as the application of any advances made or to be made to the Borrower.

The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

21. **ACKNOWLEDGEMENT**

 Any admission or acknowledgment in writing by the Borrower or any person on behalf of the Borrower of the amount of indebtedness of the Borrower to the Bank or any judgment or award obtained by the Bank against the Borrower or any statement of account furnished by the Bank certified by an officer of the Bank as a true copy extracted from the books of the Bank shall be binding against the Borrower in the absence of any manifest error.

22. **SET-OFF**

 The Borrower agrees that the Bank shall have the right to combine or consolidate all or any of the Borrower's deposits and accounts and set off or transfer any sum or sums standing to the credit of any one or more such accounts towards the satisfaction of all amounts which may become payable to the Bank hereunder.

23. **AMENDMENT**

This Agreement may be amended from time to time as dictated by exigencies of the situation and at the discretion of the Bank. Notice of such amendments shall be given to the Borrower.

24. **INVALIDITY AND SEVERABILITY**

 If any provision of this Agreement shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the other provisions of this Agreement and all provisions not affected by any such invalidity or unenforceability shall remain in full force and effect. The parties hereby agree to attempt to substitute for any invalid or unenforceable provision a valid or enforceable provision, which achieves to the greatest extent possible the economic, legal and commercial objectives of the invalid or unenforceable provision.

25. **HEALTH, SAFETY AND ENVIRONMENTAL POLICIES**

The Borrower agrees to continue to carry on and maintain its business in conformity with Environmental Laws applicable in Rwanda on the Bank’s request, shall supply evidence to verify its fulfilment of this obligation.

26. **APPLICABLE LAW**

 This Agreement shall be governed by and construed in all respects in accordance with

 the Rwandan law.

IN WITNESS WHEREOF the parties hereto have executed this Agreement in the manner set out hereunder on the day and year first above-written.

1. NOTARIZED ACT NUMBER ONE THOUSAND TWO HUNDRED TWENTY (1220)--------------------VOLUME XVIII --------------------------------------------------------------------------------------------------------------------The year Two Thousand and Twenty One ---------------------------------------------------------------------------------The First day of the Month of June ------------------------------------------------------------------------------------------
2. I, Rutikanga Sixbert, Private Notary, hereby certify that this instrument, whose terms are reproduced herein, has been presented to us this day:
3. Badiel Rubangutsangabo employee of Guaranty Trust Bank (Rwanda) plc, resident in Kigali city witness to this instrument.
4.
5. The parties hereby accept the terms and conditions in this agreement. In agreement with that, the present act has been signed by the parties as indicated above, the witness and Notary, and sealed with the seal of the Private Notary.

-------------------------------------------------------THE PARTIES----------------------------------------------------------

**Guaranty Trust Bank (Rwanda) plc**

###### Joel Gatanazi Louis Hategekimana N.

Head, Business Division Head, Legal and Company Secretary

**The Customer**

**……………………………**

Represented by ………..

---------------------------------------------------------**THE WITNESS** --------------------------------------------------------

…………………………

------------------------------------------------------------**THE NOTARY**---------------------------------------------------------

Rutikanga Sixbert

--------------------------------------------------------**RIGHT DISCERNED**-----------------------------------------------------Fees: Eleven Thousand Seven Hundred Rwandan Francs. Recorded by us, Rutikanga Sixbert, Private Notary, the deed number: 1221 and volume XVIII issued by the private notary on 01st June, 2021, the notary fee was paid according to bank cash deposit slip number: 81588 of 01st June, 2021 paid through Guaranty Trust Bank (Rwanda) plc.

------------------------------------------------------------**THE NOTARY**---------------------------------------------------------

 Rutikanga Sixbert

For authentic expedition whose cost in Eleven Thousand Seven Hundred Rwandan Francs (Rwf11,700), the notary fee was paid according to bank cash deposit slip number: 81588 of 01st June, 2021 paid through Guaranty Trust Bank (Rwanda) plc.

 -----------------------------------------------------------**THE NOTARY**---------------------------------------------------------

Rutikanga Sixbert