



M-Akiba Bond Terms and Conditions

1. Introduction

These are the terms and conditions that govern subscription, access, trading and related use of the M-Akiba product.

2. Definitions and Interpretation

2.1 In these Terms unless the context otherwise requires:

“Account” means an M-Akiba central depositories securities (CDS) account in which book entries relating to the Bond are recorded. The M-Akiba CDS account is created automatically by CDSC on behalf of the Investor upon registration.

“ATS” means the Automated Trading System of the NSE.

“Authority” means the Capital Markets Authority of Kenya.

“Bond” means the M-Akiba Bond.

“CDSC” means the Central Depositories and Settlement Corporation Limited, a company that is duly licensed and authorized by the Authority to provide central depository, custody, clearing, settlement and related services for securities and additionally by the Issuer to provide central depository, custody, clearing, settlement and registration services for the purposes of the Bond.

“Issuer” means the National Treasury of the Government of the Republic of Kenya.

“Investor” means an individual subscriber of an MNO holding a Mobile Money Wallet who has registered on the Platform for the purposes of accessing the Services.

“Login Credentials” means the personal identification number that uniquely identifies You for purpose of use of the Service. The Login Credentials are created in accordance with and subject to the terms and conditions of the MNO providing such user access service and such terms and conditions are available on the MNO’s website. The Login Credentials confidential to You and should not be disclosed to any other person.

“MNO” or Mobile phones Network Operators means a company that has been duly authorized to provide mobile telecommunication and mobile money services to Investors by the applicable regulatory agencies.

“Mobile Money Wallet” means a mobile money account in the name of the Investor and held with an MNO.

“NSE” means the Nairobi Securities Exchange Limited, a public company that has been licensed by the Authority to run a securities exchange known as the Nairobi Securities Exchange and for which the Bond is to be listed.

“Order” means an instruction issued by the Investor on the Platform and relating to the Services.

“Platform” means the electronic interface provided by the Platform Host for purposes of offering the Services through the Unstructured Supplementary Service Data (USSD) communication systems running on an electronic communication network offered by an MNO.

“Platform Host” means an electronic interface provider authorized by NSE and the CDSC to offer securities services through a mobile telecommunications network.

“Primary Market” means the placement of the Bond for subscription by Investors directly by way of purchase from the Issuer.

“Primary Trading” means the service offered to an Investor that permits them to subscribe for the Bond directly from the Issuer.

“Round Robin” means the manner in which Retail Investors shall be allocated to participating Trading Participants, which allocation shall be automated and shall ensure that the Trading Participants are set up on the Middleware software sequentially, and each Retail Investor will be allocated to a Trading Participant in their consecutive order.

“Secondary Market” means a securities exchange in which the Bond has been listed for trading.

“Secondary Trading” means the services that permit the Investor to either purchase or trade in Bonds that have been listed on the Nairobi Securities Exchange.

“Service” means Primary Trading and/or Secondary Trading and/or other services offered to an Investor through the Platform.

“Service Provider” means NSE and CDSC who have been appointed to provide services to the National Treasury in connection with the M-Akiba Retail Bond.



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“**Terms**” means these Terms and Conditions.

“**Trading Participant**” means a Broker or Investment Bank licensed by the Authority and authorized to access the ATS by the NSE.

“**You**” means the Investor and use of the word “Your” is construed accordingly to refer to the Investor.

3. Application of Terms

3.1 These Terms apply to the Primary subscription and Secondary Trading of the Bond and any other services to be offered to You through the Platform.

3.2 Your registration for, use and continuous usage of the Service or the Platform shall be deemed as acceptance of these Terms.

3.3 The Service Providers and the MNOs reserve the right to vary these Terms at any time and at their sole discretion.

3.4 Your access to the Service on the MNO’s network, including the creation of Login Credentials to access the Platform or Your access to the Mobile Wallet may be subject to independent terms and conditions for such access provided by Your MNO.

4. Registration

4.1 In order to access the Services You must register on the Platform.

4.2 For Your safety, You shall not disclose Your Login Credentials to a third party. The Authority, the NSE, the MNO, the CDSC and the Platform Host disclaim any liability or losses (including indirect, incidental or consequential losses) that may arise as a result of Your disclosure of such information to a third party.

4.3 Any Order made through the registered number to the Platform which fulfills all pre-requisites shall be considered legitimate and You as the registered subscriber of the telephone number provided by an MNO shall be responsible for the Order and its related charges and consequences.

5. Account Management

5.1 You will only be permitted access to the Platform when You successfully enter the Login credentials provided upon registration.

5.2 Detailed records of all accesses made to the Platform including order and payment details will be retained and kept by the Platform Host in accordance with the existing laws.

5.3 You will be allocated a Trading Participant in a Round Robin manner during registration. Orders shall be accepted by the Platform immediately for order execution

and subsequent payment or delivery of the Bond from Your Mobile Wallet.

5.4 You reserve the right to change the Trading Participant that you have been allocated.

5.5 By registering for the Services, You irrevocably authorize the MNO to deliver any of Your personal information including identification and Mobile Wallet transaction information to the NSE, the Platform Host, the Trading Participants, the Authority, the Issuer, CDSC and any duly engaged call centre for the purposes of the Services.

5.6 You also irrevocably authorize the MNO to make any deductions including transaction costs of E-Money from Your Mobile Wallet on Your behalf for purposes of fulfilling Orders made through the Platform.

5.7 In the event that Your Interest Payment or Redemption amount exceeds your MNO’s daily mobile money transaction limit, such amount may be paid to You in a number of installments or You may be required to provide a bank account into which it may be paid.

5.8 You may be required to provide additional personal information in accordance with applicable laws, rules and procedures governing Know Your Client, Anti- Money Laundering and Anti- Terrorism Financing.

5.9 You may obtain a statement of your account through the Platform or a more detailed statement from CDSC or your Trading Participant.

6. Orders

6.1 Placing of Orders on the Primary Market

6.1.1 You may place an Order to purchase the Bond on the Primary Market through the Platform Host.

6.1.2 Your Order may be completed wholly or partially or rejected for certain reasons.

6.1.3 An Order will only be completed by crediting of the Bond in Your Account.

6.1.4 The following events apply to all Orders placed and could result in their rejection, cancellation or partial completion:

6.1.4.1 The lack of sufficient funds in Your Mobile Wallet Account;

6.1.4.2 The Investor having reached the maximum limits for mobile money transactions as may be determined by the MNO with respect to the respective terms and conditions of the mobile money service, in which case the Order would be rejected;

6.1.4.3 Where the Issuer of the Security has adopted an allocation policy;

6.1.4.4 the Order placed contravenes the minimum, maximum or placement unit amounts as may be prescribed or itemised in the Issuer’s Prospectus;



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6.1.4.5 The Order placement contravenes other provisions set out in these terms and conditions or applicable law.

6.1.4.6 Where by the time the Order is placed, the maximum amount of money intended to be raised by the Issuer of the Securities as may be set out in the Issuer's Prospectus has been achieved;

6.1.4.7 An event that is beyond the reasonable contemplation of the Platform Host or any of the partners engaged in the provision of the Services occurs and such an event impacts on Service delivery which as a result impacts on the Order placed; or

6.1.5 Upon confirmation of the Order You irrevocably instruct and authorise the MNO to deduct the funds indicated in the Order from Your Mobile Wallet including any applicable transaction charges.

6.1.6 Taking into account the occurrence of the conditions set out in clause 6.1.4, a confirmed Order may be cancelled, or as a result of the allocation policy that has been adopted by the Issuer of the Bond the value of the Bond credited to You may be less than that set out in Your Order. Upon occurrence of any of the foregoing, You will be entitled to receive a refund of the whole amount in the case of full cancellation or the balance of the amount not credited in Your Account in the case of partial completion from the Issuer. Mobile money charges will apply in any of these events.

6.2 Placing Orders on the Secondary Market

6.2.1 You may place an Order to purchase or sell your Bond on the Secondary Market through the Platform.

6.2.2 Orders You make on the Platform will be channeled through Your Trading Participant.

6.2.3 Orders that fail validation will be rejected.

6.2.4 You will receive a notification on Your mobile phone number provided to us during registration once the Order is executed on the ATS.

6.2.5 The Trading Participant must confirm and ensure that settlement has been done accordingly including payments and delivery of securities.

6.2.6 Upon completion of the Order made as per clause 6.2.1 and without prejudice to the provisions of clause 6.2.1, above Your order may be rejected or confirmed. A confirmed Order may still be subject to full completion, partial completion or cancellation depending on the occurrence of any of the events itemised in clause 6.2.7.

6.2.7 An Order will only be completed (whether wholly or partially) by crediting Your Account with the unit values of the Bond in the case of a purchase or the debiting of Your Account of the value of the Bond, in case of a sale.

6.2.8 The following events apply to all Orders placed and could result in their rejection, cancellation or partial completion:

6.2.8.1 The lack of sufficient funds in Your Mobile Wallet;

6.2.8.2 The Customer having reached the maximum limits for mobile money transactions as may be determined by the MNO in accordance with the respective terms and conditions of the mobile money service in which case the Order would be rejected;

6.2.8.3 the Order placed contravenes the minimum, maximum or unit amounts, or any other terms as may be described or itemised in the Issuer's Prospectus or by the NSE for purposes of trading;

6.2.8.4 The Order contravenes the terms and conditions that may be set by the relevant NSE, including any ATS specific rules;

6.2.8.5 An event that is beyond the reasonable contemplation of the Platform Host, the MNO or any of the partners engaged in the provision of the Services occurs and such an event impacts on Service delivery which as a result adversely impacts on the Order placed or applicable law; or

6.2.8.6 The Order placement contravenes other provisions set out in these terms and conditions.

6.2.9 Upon confirmation of a purchase Order You irrevocably instruct and authorise the MNO to deduct the funds indicated in the Order from Your Mobile Wallet for purpose of purchase of the unit value of the Bond including statutory levies and any applicable charges levied by the MNO.

6.2.10 Upon confirmation of a sale order You irrevocably authorise the MNO to deduct applicable transaction charges from Your Mobile Money Account.

6.2.11 Taking into account the occurrence of the conditions set out in clause 6.2.8, a confirmed Order may be cancelled or completed partially until completed in full.

6.2.12 The applicable price for trading the Bond on the Secondary Market shall be determined in accordance with the Prospectus and the applicable rules of the NSE.

6.3 General Conditions regarding Orders

6.3.1 Order Cancellation

Orders placed in the Platform are irrevocable. It is Your responsibility to confirm the Order before submission.

6.3.2 Trading in the Secondary Market

Prices in the Secondary Market shall be as stipulated by the Issuer in the Prospectus.

6.3.3 Settlement

5.3.1.1. Settlement of all Bonds traded through the Platform shall be undertaken within a reasonable time.



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7. Trading Sessions and interest payments for the Bond

7.1 You may access the Secondary Market through the Platform every Monday to Friday, 9.00am to 3.00pm, or as may be otherwise provided by the NSE.

7.2 You may be entitled to interest payment at the rate and at the repayment patterns itemised in the Issuer's Prospectus (the "Interest Payment").

7.3 Such Interest Payment shall be paid to You directly by the crediting of Your Mobile Wallet unless You instruct the Issuer otherwise through the Trading Participant.

7.4 Should Your Interest Payment exceed your MNO's daily mobile money transaction limit, such Interest may be paid to You in a number of instalments or You may be required to provide a bank account into which it may be paid.

8. Costs

8.1 The costs for the buying of the Bond in the primary and secondary market shall be as published in the M-Akiba Tariffs Guideline in the FAQs.

9. Indemnity and Exclusion of Liability

9.1 Access to the Service may be affected by factors outside the control of the Platform Host, the MNO, the NSE, the Trading Participant or the CDSC (the **Partners**) such as system downtime or failure. Interrupted access may also arise as a result of scheduled or unscheduled periodic testing, repair, upgrade or maintenance and other factors. The Partners will use all reasonable efforts to ensure that Your Orders are processed in a timely manner and in accordance with the requirements of the law. Notwithstanding the foregoing, the Partners do not make any representations or warranties as to continuous, uninterrupted or secure access to the Service.

9.2 In return for the provision of the Services by ourselves, You agree to indemnify the Partners and absolve them against any law suits, losses, charges, damages, liabilities, expenses (including legal fees), fees or claims (including claims by third parties) that the Partners may suffer, incur or that may otherwise result as a consequence of Your breach of these terms and conditions or as a result of any reliance by the Partners on any instructions or information issued by Yourself or purported to be issued by Yourself and/or on Your behalf.

9.3 **While the Partners will make every reasonable effort to ensure that You receive proper Service, the Partners will not be responsible to You or to any other person claiming under You for any losses or damage, regardless of the nature in connection with the following unless procured through our own wilful**

default, demonstrable negligence or fraud that may arise as a result of:

9.3.1 a failure, malfunction, interruption or unavailability of the Platform, Your mobile phone apparatus, the MNO's network or the mobile money system or the unavailability or any delays in the crediting or debiting of Bonds not directly attributable to the Partners;

9.3.2 Your failure to use or to give proper or complete instructions using the USSD System;

9.3.3 any fraudulent or illegal use of the Service, the Platform, the mobile money services and/or Your mobile phone apparatus;

9.3.4 any loss that may arise as a result of any negligence on Your part including revealing Your Login Credentials to a third party;

9.3.5 Your failure to comply with these Terms and Conditions; or

9.3.6 other circumstances whatsoever not within our control including, without limitation, force majeure, error, interruption, delay or non-availability of the Platform, the MNO network, the mobile money service, terrorist or any enemy action, equipment failure, loss of power, adverse weather or atmospheric conditions, and failure of any public or private telecommunications system, lack of available resources or industry wide shortage of resources, strikes or labour disputes.

9.4 The Partners will not be responsible for any economic loss, loss of profit or anticipated savings or for any indirect or consequential loss or damage of whatever kind, howsoever caused, arising out of or in connection with the Service even where the possibility of such loss or damage is notified to us.

9.5 The Partners exclude any warranty and obligations that are implied by law and not set out in this Agreement to the extent that we are permitted by law.

9.6 In the event of any liability arising under these terms and conditions as a result of which either one of the Partners is found legally responsible You agree that the maximum aggregate liability to You or to any other person shall be limited to the value of the applicable purchase or sale Order or Kenya Shillings Fifty Thousand, whichever is less.

10. Governing Law

10.1 These Terms and Conditions shall be governed by the Laws of Kenya.



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