Prime Bank

GENERAL TERMS AND CONDITIONS

These Terms and Conditions govern the opening, closing and general dealing with accounts opened with Prime Bank Limited Custodial Services and constitute the agreement between the Bank and the customer:

1. Definitions

In these Terms and Conditions the following expressions shall unless the context otherwise requires have the following meanings:

1.1. "**Custodial Account**" means any bank account, or CDS account opened with or through the Bank pursuant to an application made by the Customer to open such an account or howsoever opened, to facilitate investment transactions as the Bank may be instructed from time to time by the Customer;

1.2. "**The Bank**" refers to Prime Bank Limited, its successors and assignees (whether immediate or derivative) and any of its branches;

1.3. "**Business Day**" means a day (other than Sunday or gazetted public holiday in Kenya) on which banking institutions, Central Depository and Settlement Corporation, and the Nairobi Stock Exchange are generally open for the conduct of their normal respective business in Kenya;

1.4. "**Customer**" means a person (whether a natural person, body corporate or incorporate, firm, corporation, club, partnership, proprietorship, association, state, administrative and governmental body whether being a separate legal entity or not, trust or joint venture) who has opened a Custodial Account with the Bank and includes the Customer's authorized signatories and agents;

1.5. "**CDSC**" refers to Central Depository and Settlement Corporation Limited;

1.6. "**CDS**" refers to the Central Depository System;

1.7. "**CDS Account**" means an account established by the CDSC for the recording of securities in respect of dealings in such securities by the person in whose name the account has been established;

1.8. "**Odd Lot**" means a lot comprising less than 100 shares or multiples of 100, e.g. in a lot of 9,520 shares 20 will be considered odd;

1.9. "**Order**" means written instructions by a client by the Customer made through the Bank to sell or purchase a specified security and detailing the quantity, price or price limits and duration or validity of instructions and such additional information as may be required by the Bank to effect the same.

1.10. "**Securities**" means:

a) debentures or bonds issued or proposed to be issued by a government;
b) debentures, shares, bonds, commercial paper or notes issued or proposed to be issued by a body corporate;
c) any right, warrant, options or futures in respect of any debenture, shares, bonds, notes or in respect of commodities;
d) any unit, interest or share offered under a collective investment scheme;
e) shares in publicly quoted or traded company; or
f) any instrument commonly known as securities but does not include
   (i) bills of exchange;
   (ii) promissory notes; or
   (iii) certificates of deposits issued by a bank or financial institution licensed under the Banking Act.

1.11. "**Settlement**" refers to the fulfillment of the obligation arising from a transaction including payment to the seller and transfer of title to the buyer.

2. Agreement

It is hereby agreed and declared as follows:

2.1. By completing and signing the Bank's prescribed Custodial Account opening form with the Bank the Customer shall be deemed to have accepted to be bound by these Terms and Conditions in addition to other terms and conditions which govern the opening, closing and general operation of specific Accounts.

2.2. The customer agrees to abide by the Rules and Regulations of the Nairobi Stock Exchange, and the Central Depository and Settlement Corporation, which are available in Custody Department and on the website of NSE (www.nse.co.ke) and CDSC (www.cdsckenya.com).

3. Customer's Instructions

3.1. The Customer hereby agrees to maintain a bank account with the Bank through which all payment for orders will be paid into or out of (as the case may be) and refunds arising from unexecuted Orders will be credited to.

3.2. The Customer's instructions shall be duly signed in accordance with the Custodial Account operating mandate and specimen signatures provided. All orders to buy shares shall be accompanied by a cheque drawn on the bank account for the amount sufficient to fund the purchase costs related thereto inclusive of the brokerage and regulatory levies.

3.3. The Customer hereby undertakes to route all orders through the Bank and authorizes the Bank to reject any transaction that may be executed by the broker, for which instructions have not been lodged with the Bank.

3.4. The Customer hereby undertakes to instruct the Bank to commit the Bank only for purchase Orders that have been funded by the customer in advance.

4. Authority to debit Account

The Bank is hereby authorized by the Customer to process debit and credit vouchers to pay market levies, to make any necessary trade adjustments including refunds for expired purchase orders, or debit/credit vouchers to make any necessary adjustments in the event of change in price as may be separately instructed by the Customer.

5. Authorised Signatories

The Customer shall at the time of opening a Custodial Account furnish the Bank with the full names, address and specimen signature of every person authorized by the Customer to operate the Custodial Account.

6. Statement of Account

Statements of CDS Account will be sent directly to the Customer at the e-mail address on record. The Bank will forward a statement of holding and valuation report to the client by e-mail – monthly for active accounts and quarterly for all accounts.

7. Order Expiry

7.1. The Customer shall indicate expiry date for every Order, which should be executed within the maximum validity period of four days, after which the Order will automatically expire and refunds made to the Customer's account for the expired Purchase Orders.

7.2. In the event that the Customer wishes to extend validity of the instruction at different prices, the Bank will continue to avail the Order for trading in the market for a period not later than 30 days from the date on which it was given to the Bank, provided that the Customer has specified the price limit.

8. Limits on Bids and Offers (at the Nairobi Stock Exchange)

8.1. The Nairobi Stock Exchange (NSE) reserves the right to suspend trading of a specific security;

8.2. The daily price movement for any security in a single trading session shall not be more than 10% of the reference price;

8.3. Exceptions to the above rule (8.2) include where:

- 8.3.1. The Issuer announces its financial results or material information;
- 8.3.2. It is the first session for the trading of a security ex entitlement;
- 8.3.3. The security has not been traded for over three calendar months;
- 8.3.4. Trading is in respect of rights.

9. Pledging of Securities Already Deposited in the CDS

9.1. Where the Customer intends to create security (charge/pledge) ("Pledge") over any of the Securities the Customer will do the following:

- 9.1.1. The Customer will hand over duly completed and signed Securities Pledge Form CDS 5 to the Bank;
- 9.1.2. The Bank will verify instructions and signature of Customer and will acknowledge receipt of the pledge request by returning to the Customer relevant copies of the Pledge Form duly signed.
- 9.1.3. The Customer will hand over the duly signed Securities Pledge Form to the person in whose favour the pledge is being created (the "Pledge") and negotiate his pledge conditions.
- 9.1.4. The Pledgee will forward the completed and duly signed Securities Pledge Form to the CDSC through his authorized Central Depository Agent ("CDA").
- 9.1.5. The CDSC will check whether the information provided in the Pledge documents is in conformity with the Rules and Procedures of the CDSC.
- 9.1.6. The CDSC will reject incomplete or non-conforming pledge documents and return them to the Pledgee's CDA.
- 9.1.7. The CDSC will record the pledged Securities and will freeze the securities in the Customers account.
- 9.1.8. The CDSC will confirm to the Pledgee's and the Customer's CDA the completion of the Pledge by forwarding a copy of the Securities Pledge Form, to each duly signed.
- 9.1.9. It is up to the CDSC to ensure that entitlements (dividends, interests, bonus shares, rights and etc) on Securities pledged, are transmitted to the Pledgee as the "owner" of the securities as long as the said securities have not been duly transferred to the Bank as pledgee.

10. Release to Customer

10.1. The pledgee will submit instructions to his CDA, on the Securities Pledge Release/Foreclosure Form CDS 6, clearly stating the reason for termination of the Pledge.

10.2. The Pledgee's CDA will forward the Securities Pledge Release / Foreclosure Form to the CDSC after verifying the details and signatories and completing the relevant section in the form.

10.3. Upon receipt of the instructions, CDSC will verify whether the form has been properly filled. CDSC will then release the Pledge in favour of the Customer in accordance with Rule [63] and the securities will be eligible for any other transaction.

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11. Joint Accounts

In the event of two or more Customers holding a joint account, the following additional provisions apply:

11.1. The holders of a joint account shall authorize the Bank to pay or deliver to, or to the order of, the survivors or survivor or the executors or administrators of such survivor, any moneys/securities standing to the credit of their joint account.

11.2. All liabilities on a joint account are joint and several.

12. Freezing of Accounts

The Bank may at any time freeze any account of the Customer after receiving instructions to do so by any appropriate authority or if there is any dispute or the Bank has doubt for any other reason (whether or not well founded) as to person or persons entitled to operate the same, without any obligation to institute inter-pleader proceedings or to take any step on its own initiative for the determination of such dispute or doubt.

13. Confidentiality and Disclosure to third parties

The Bank shall keep the information of the banking and custodial relations with the customer confidential. However, the same is subject to the following exemptions:

13.1. Compulsion by law – Disclosure shall be made upon the Bank receiving an order from an authority where the information is in respect of a third party tracing claim; or pursuant to a specific statutory jurisdiction.

13.2. Duty to public – where the Customer's dealing is posing a danger to the state or public duty which may supersede the duty of the Bank to the Customer.

13.3. The Bank's interest – where the Bank's own interest justifies the disclosure.

13.4. Where the customer has given consent for disclosure.

14. Interpretation

Unless the context otherwise requires in these Terms and Conditions:

14.1. Reference to writing shall include any mode of reproducing words in a legible and non-transitory form;

14.2. References to indemnifying any person against any circumstances include indemnifying and keeping him harmless from all actions, claims and proceedings from time to time made against that person and all loss or damage and all payments cost and expenses made or incurred by that person as a consequence of or which would not have arisen but for that circumstance;

14.3. References to any statute or statutory provision shall include any statutory provision which amends or replaces or has amended or replaced it and shall include any subordinate legislation or other regulations made under the relevant statute;

14.4. References to the masculine includes a reference to the feminine and vice versa;

14.5. Words importing the singular number include the plural and vice versa.

15. Amendments

Any addition or alteration to these Terms and Conditions made from time to time by the Bank of which notice has been given to the Customer shall be binding upon the Customer as fully, as if the same were contained in these Terms and Conditions.

16. Data Protection and Privacy:

16.1. The Bank will always ensure that Personal Data of Customers is at all times processed in accordance with the Right to Privacy and in strict adherence to the Principles and Obligations enshrined in the Data Protection Act, 2019.

16.2. Except as permitted by Law, the Bank may not, without the prior consent of the Customer, disclose to any third party personal data or information relating to the Customer or their related parties.

16.3. The customer hereby unequivocally consents to disclosure of its personal data/information under the following circumstances:

16.3.1. To the Bank's agent's associates or subsidiary companies for the purposes of lending, developing new products, improving services and benefits to its Customers with an understanding that the information will be kept confidential.

16.3.2. To Transferees of the Bank's rights under this agreement.

16.3.3. Where the Bank is under a legal or contractual obligation to do so (including but not limited to the Bank's legal and /or contractual obligations to prevent money laundering and related offences) or in public interest.

16.3.4. To other Banks, scoring or rating agencies or duly licensed Credit Reference Bureaus (CRB) for protection of banking and public interest.

16.3.5. Cross border transfer of personal data for furtherance of contract or legitimate interests.

16.4. The Customer also consents to processing of their personal data provided to the Bank in furtherance of the contract entered between them and the Bank.

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16.5. The Customer undertakes to maintain strict confidentiality of their Personal Identification Number, log in ID, password and any other information supplied by the Bank in relation to services provided. The Customer agrees to notify its agents, employees and/or sub-contractors of the provisions of this section and indemnifies the Bank against any breach thereof.

16.6. The Customer may lodge a complaint in regards to the processing of their personal data to the Bank through the e-mail dpo@primebank.co.ke. The Bank shall endeavor to resolve the complaint as soon as reasonably possible and within the timelines prescribed in the Data Protection Act and Regulations.

For more information on the handling, processing and protection of your personal data, please read the Privacy Notice on the Bank's website www.primebank.co.ke

17. Fax/e-mail Indemnity

This deed of indemnity is made the _____ day of

_____ 20 _____ by _____

for the purpose hereof of P O Box _____
(hereinafter referred to as the "Customer").

WHEREAS:

1. The customer has appointed Prime Bank as custodian of his/her assets who on behalf of the customer will operate the bank and securities accounts with Prime Bank Limited (herein after referred to as the Bank which expression shall include its successors and assignees (whether immediate or derivatives).

2. The Bank has developed a program that will enable the customer to access, view and receive information about the customer's aforesaid accounts with the bank or under the bank's custody by way of Email and Fax transmission at any time from anywhere.

3. The customer appreciates that by the nature of access or transmission the aforesaid information is not always secure or accurate and may also be unavailable or incomplete.

4. The customer has none the less agreed to make use of the said service from the bank and the bank has agreed to provide to the customer subject to the customer undertaking hereunder.

5. The customer has agreed to give the bank instructions to transfer funds from one account to another in the same names, instruction to the custodian to pay authorized parties in settlement of investments, request for balances, bank statements and any other correspondence on the accounts.

6. The bank shall NOT entertain withdrawal i.e. payment to third party through email/fax instructions unless the fax/email is counter signed by the authorized signatory/ies (as per the mandate).

NOW THIS DEED WITNESS that in consideration of the bank providing the aforesaid service so as to enable the customer to access/view accounts, and receive information or sending of instruction from the customer to the bank by way of e-mail and fax transmission from time to time as aforesaid, the customer:

1. hereby confirms and agrees that the information transmitted/received by way of e-mail and Fax transmission is not always secure and may be accessed by unauthorized personal and /or be unavailable, incomplete and or may also contain errors resulting from inter alia, date corruption, interception, viruses, late arrival, incompleteness, destruction or loss; and

2. hereby covenants and agrees with the bank that the customer will indemnify and at all times keep the bank harmless and indemnified on a full and un-qualified indemnity basis against all losses, liability, damages, costs, expenses, actions, demands, claims and proceedings arising out of or concerning the use by the customer of the said service ;and

3. hereby waives any right or claim the customer may have against the bank for breach by the bank of any of its bank customers duty under law or otherwise howsoever

IN WITNESS WHEREOF the customer has executed this deed of indemnity as of the day and year first above written.

Name: _____

Signature _____

In presence of (name & signature of witness):

Name: _____

Signature _____