



ADDENDUM N° 1 TO THE TERMS AND CONDITIONS FOR THE OPENING AND USE OF THE M-SHWARI ACCOUNT AND RELATING TO THE M-SHWARI LOCK SAVINGS ACCOUNT

1. THE AGREEMENT

1.1. This Addendum is supplemental to the Terms and Conditions for the Opening and the Use of the M-Shwari Account (the “**M-Shwari Terms and Conditions**”) and sets out the complete Terms and Conditions (hereinafter called “these Terms and Conditions”) which shall be applicable to you when you open a Lock Savings Account with the Bank (a term hereinafter defined). These Terms and Conditions and any amendments or variations thereto take effect on their date of publication.

1.2. These Terms and Conditions shall be made available on the Bank’s website on www.cbagroup.com.

2. DEFINITIONS AND INTERPRETATION

2.1. Unless the context otherwise requires, terms not defined in these Terms and Conditions shall have the meaning set out in the definitions and interpretation section of the M-Shwari Terms and Conditions.

2.2. In these Terms and Conditions the following words and expressions (save where the context requires otherwise) bear the following meanings:

2.2.1. “**Lock Savings Account**” means a bank account held by a Customer with the Bank and which is opened and operated in accordance with these Terms and Conditions;

2.2.2. “**Lock Savings Account System Menu**” means the menu for operating the Lock Savings Account that shall be accessible through the Lock Savings System.

2.2.3. “**Lock Savings Account System**” means the Unstructured Supplementary Service Data System or the M-Pesa System functionality through which the Customer on the Network may use to operate the Lock Savings Account and instruct the Bank.

2.2.4. “**Lock Period**” means such minimum period of time not less than one (1) month and not exceeding six (6) months, or such other period communicated by the Bank from time to time in which the Customer requires that the Principal Amount be kept in the Lock Savings Account and during which period the Principal Amount will not be available to the Customer subject to the provisions of clause 5 (*Accessing Locked Funds*).

2.2.5. “**Principal Amount**” means such minimum amount prescribed by the Bank;

2.2.6. “**We**,” “**our**,” and “**us**,” means the Bank and includes the successors and assigns of the Bank;

2.2.7. “**You**” or “**your**” means the Customer and includes the personal representatives of the Customer;

2.2.8. The word “**Customer**” shall include both the masculine and the feminine gender as well as juristic persons;

2.5. Words importing the singular meaning where the context so admits include the plural meaning and vice versa.

2.6. Headings in these Terms and Conditions are for convenience purposes only and they do not affect the interpretation of this Agreement.

3. ACCEPTANCE OF THE TERMS AND CONDITIONS

3.1. By the Customer using or continuing to use or operate the Lock Savings Account, the Customer will be deemed to have read, understood and accepted these Terms and Conditions and the M-Shwari Terms and Conditions.

3.2. These Terms and Conditions may be amended or varied by the Bank from time to time and the Customer shall be notified before any amendments or variations are applied within reasonable time. The continued use of the Lock Savings Account by the Customer constitutes the Customer’s agreement to be bound by the terms of any such amendment or variation.

3.3. For the avoidance of doubt, the Customer acknowledges and accepts that the Customer will receive access to the Lock Savings Services through the Lock Savings System operated on Safaricom’s Network. Customer requests relating to information, complaints or queries on the Lock Savings Account can be addressed to the bank through Safaricom’s Customer Care Centre or Retail Shops.



3.4. You further acknowledge and accept that Safaricom's Customer Care Centre and Retail Shops are not branches of the Bank or the Bank's Agents for purposes of conducting banking business or transactions.

4. ACTIVATING AND OPERATING YOUR LOCK SAVINGS ACCOUNT

4.1. In order to use the Lock Savings Account with the Bank, you must be a registered Safaricom subscriber, an M-Shwari Account holder and you must have activated your Lock Savings Account in accordance with this clause 4.

4.2. All instructions to the Bank to activate, manage and operate the Lock Savings Account and to move money to and from your M-Shwari Account for purposes of the Lock Savings Account shall be made electronically through the Lock Savings System Menu.

4.3. To activate your Lock Savings Account, you must select the Open Lock Savings option, or such other option made available for that purpose on the Lock Savings System Menu, and transfer the Principal Amount from your regular M-Shwari Account to the Lock Savings Account.

4.4. Upon activation and successful transfer of the Principal Amount to the Lock Savings Account, you will receive an SMS confirming activation, the Principal Amount and the Lock Period.

4.5. Subject to clause 5(*Accessing Locked Funds*) you will be required to maintain the Principal Amount for the duration of the Lock Period during which period such Principal Amount shall be unavailable for use.

4.6. At the end of the Lock Period, the Bank will credit your regular M-Shwari Account with the Principal Amount and the Interest accrued.

4.7. Without prejudice to the foregoing, you may add more funds to the Lock Savings Account and set a different Lock Period. Such funds may be accessible at the end of such Lock Periods or in accordance with the provisions of clause 5 of these Terms and Conditions.

4.8. Any query and complaint you may have relating to the Lock Savings Account shall be addressed to the Bank through Safaricom's Customer Care Centre or Retail Shops.

5. ACCESSING LOCKED FUNDS

5.1. Subject to the provisions of this clause 5, you may access the Principal Amount before the end of the Lock Period.

5.2. In order to access the Principal Amount before the end of the Lock Period the Customer shall Request the Bank through the Lock Savings System Menu by selecting the Withdraw Funds option or such other option made available on the Lock Savings System Menu for that purpose (hereinafter in this clause 5 referred to as "**Withdraw Funds**").

5.3. The Bank will credit your regular M-Shwari Account with the Principal Amount and the Interest accrued up to the point of withdrawing funds after forty eight (48) hours from the time in which the Customer makes a Withdraw Funds request in accordance with clause 5.2 above.

5.4. Upon the successful completion of the Withdraw Funds Request, you will be informed by way of an SMS from the Bank that the Principal Amount and the Interest accrued to date have been transferred to your regular M-Shwari Account.

6. CHECKING YOUR BALANCE

6.1. Subject to clause 6.4. below, you may check the balance of the funds in your Lock Savings Account by way of the Check Balance option or such other option made available for that purpose on the Lock Savings System Menu using your Equipment. You will receive a USSD System pop up message or an SMS disclosing the balance in your Lock Savings Account.

6.2. Subject to clause 6.4. below, you may obtain a mini statement based on the last five (5) transactions of your Lock Savings Account by way of the Mini Statement option or such option made available for that purpose on the Lock Savings System Menu using your Equipment. You will receive a USSD System pop up message or an SMS disclosing the last five (5) transactions of your Lock Savings Account.



6.3. You may request for one bank statement per year with regards to the funds in your account free of charge at any Safaricom Retail Shop. Any additional statements within that year will be provided at a cost of twenty five (25) shillings, or such other fees as notified by the Bank from time to time, per page over the counter.

6.4. You will be charged one (1) shilling, or such other fees as notified by the Bank from time to time, for checking your balance and to obtain a mini statement via the Lock Savings System.

7. APPLICABILITY OF M-SHWARI TERMS AND CONDITIONS

7.1. The M-shwari Terms and Conditions are varied as set out herein and these Terms and Conditions and these Terms and Conditions shall be construed as having the same effect as if they were incorporated and set out in the main body of the M-Shwari Terms and Conditions.

7.2. Unless otherwise varied by these Terms and Conditions all other terms and conditions set out in the M-Shwari Terms and Conditions shall remain unchanged.

7.3. For the purposes of other clauses set out in the M-Shwari Terms and Conditions, except where the context does not admit, the term M-Shwari Account as defined therein shall be construed to include the Lock Box Account as defined herein.