

TERMS AND CONDITIONS FOR THE ZIIDI SHARI'AH INVESTMENT PRODUCT

The following terms and conditions (the “**Terms and Conditions**”) apply to the Ziidi Shari’ah Investment Product and by accepting the Terms and Conditions, you will be deemed to have read, understood and accepted the same:

1. DEFINITIONS AND INTERPRETATION

- (1) In these Terms and Conditions, the following words and expressions (save where the context requires otherwise) bear the following meanings:
- (a) “**Access Channels**” or “**M-PESA Access Channels**” means the gateway provided by Safaricom Plc to a Unitholder for purposes of enabling the Unitholder to access their Ziidi Shari’ah Account and includes the USSD channel, the M-PESA mobile application and any other channel that may be provided by Safaricom from time to time.
 - (b) “**CIS Regulations**” - Means the Capital Markets (Collective Investment Schemes) Regulations, 2023 and references to the CIS Regulations shall include amendments as may be made from time to time.
 - (c) “**Custodian**” means a person or persons licensed by the Capital Markets Authority as a custodian and appointed to offer custodial services to the Fund.
 - (d) “**Customer**” means a Ziidi Shari’ah Customer provided that the term shall be construed to include an M-PESA Customer who has opted into Ziidi Shari’ah and become a Unitholder. It is further acknowledged that the mere fact of opting into Ziidi Shari’ah does not qualify one as a Unitholder.
 - (e) “**Equipment**” includes your mobile phone handset, SIM Card and/or other equipment which when used together enables you access the Ziidi Shari’ah Account.
 - (f) “**Fund Manager(s)**” means a fund manager duly licensed by the Capital Markets Authority as such and responsible for the management and administration of the Fund, it being acknowledged that the Fund may have more than one Fund Manager subject to the relevant approvals required by law. The fund managers at the launch of the product are as set out in the Trust Deed and Rules.
 - (g) “**Fund**” means the Ziidi Shari’ah Money Market Fund, a collective investment scheme established under the CIS Regulations.
 - (h) “**Incorporation Documents**” means the Ziidi Shari’ah Trust Deed incorporating the Scheme Rules and the applicable Information Memorandum.
 - (i) “**Intellectual Property Rights**” means any rights in any trade name, trademark or other intellectual property rights used by Safaricom or licensed to Safaricom and/or the Fund Managers in relation to the Ziidi Shari’ah or any platforms and systems used for the operation of Ziidi Shari’ah.
 - (j) “**Investment**”- This is the amount that the M-PESA Customer deposits or transfers into their Ziidi Shari’ah Account as an investment in the Fund in order to become a Unitholder.
 - (k) “**IPRS**” means the Integrated Population Registration System operated by the Government of the Republic of Kenya.
 - (l) “**M-PESA Account**” means a record maintained by Safaricom regarding the amount of electronic money from time to time held by an M-PESA Customer that is represented by an equivalent amount of cash held in trust in accordance with the M-PESA Customer Terms and Conditions.
 - (m) “**Ziidi Shari’ah Account**” means an account held by a Unitholder in the Fund in accordance with the

Incorporation Documents and the Terms and Conditions herein and which is accessible through the M-PESA Access Channels.

- (n) **“M-PESA System”** means the system operated by Safaricom in Kenya for the provision of the M-PESA product using the Network.
 - (o) **“M-PESA”** means the money transfer and payments service provided by Safaricom.
 - (p) **“Network”** means Safaricom’s mobile cellular network.
 - (q) **“Opt in”** means the confirmation from Unitholder indicating that they are accepting the Terms and Conditions of the product.
 - (r) **“Opt out”** means the confirmation from Unitholder indicating that they no longer use the product.
 - (s) **“Personal Information”** means personal identifiable information as prescribed in the Data Protection Act, 2019 which includes but is not limited to name, identification number and date of birth.
 - (t) **“Safaricom”** means Safaricom PLC, a duly licensed converged telecommunications service provider incorporated in Kenya as a limited liability company under the Companies Act (No. 17 of 2015).
 - (u) **“SMS”** means a short message service consisting of a text message transmitted from one mobile phone to another.
 - (v) **“System Menu”** means the electronic investment and communication software enabling Unitholder to communicate with the Fund Manager(s) for purposes of issuing instructions and/or Requests and will for the purpose of this product be accessed through the M-PESA Access Channels.
 - (w) **“Trust Deed”** means the Fund’s constitutional and primary governance document as supplemented and amended from time to time, subject to the necessary approvals and consents required by law.
 - (x) **“Trustee”** means a person, licensed by the Capital Markets Authority, appointed to be responsible for oversight of the scheme, it being acknowledged that the initial Trustee of the scheme is KCB Bank (Kenya) Limited but the term Trustee shall be construed to include any such other Trustee(s) appointed from time, subject to the relevant approvals and consents required by law.
 - (y) **“Unit”** means one undivided unit in the Ziidi Shari’ah Money Market Fund and the term **“Unitholder”** shall be construed to mean the M-PESA Customer who has opted into Ziidi Shari’ah and invested.
 - (z) **“We” “our” and “us”** or its variants means Safaricom and/or the Fund Manager(s) and includes our successors and assigns;
 - (aa) **“You” and “your”** or its variants means Unitholder and includes the successors and assigns of the Customer;
- (2) Words importing the singular meaning where the context so admits include the plural meaning and vice versa.
 - (3) Headings in these Terms and Conditions are for convenience purposes only and they do not affect the interpretation of this Agreement.

2. THE AGREEMENT

- (1) This Agreement sets out the complete Terms and Conditions which shall be applicable to your account in the Ziidi Shari’ah Money Market Fund (**the “Fund”**).
- (2) If you do not agree with these Terms and Conditions, please click **“Decline”** or **“Reject”** as the case may be.
- (3) You will be deemed to have read, understood and accepted these Terms and Conditions:
 - (a) upon clicking on the **“Accept”** option on the M-PESA Ziidi Shari’ah Menu requesting you to confirm that you have read, understood and agreed to abide by these Terms and Conditions; and

- (b) By using or continuing to use and operate the Ziidi Shari'ah Account.
- (4) Ziidi Shari'ah is a collective investment scheme established as a money market fund, registered under the CIS Regulations and offered to M-PESA Customers through the M-PESA platform.
- (5) These Terms and Conditions are available on Safaricom's website located at <https://www.safaricom.co.ke/> (the "Website") and may be published on the respective Fund Managers' websites.
- (6) These Terms and Conditions should be read together with the Information Memorandum and the Incorporation Documents, copies of which may be availed to you on request. Safaricom and the Fund Managers may avail the same on the Website and on the websites of the various Fund Manager(s).
- (7) By accepting these Terms and Conditions, you will be deemed to have read and understood the contents of the Incorporation Documents as well as these Terms and Conditions.
- (8) Any update or amendment to these Terms and Conditions including privacy terms will be available on the Website and will take effect from the date of notification of the update or amendment provided that any material amendment shall take effect upon notification and approval of the Central Bank of Kenya (CBK) and after the lapse of seven (7) days notification to the Unitholders post CBK approval.
- (9) These Terms and Conditions are supplemental to the Incorporation Documents, the **M-PESA Customer Terms and Conditions** and any other Terms and Conditions for any Safaricom products and services that you may use in the course of using the Product.
- (10) In the event of any inconsistency between these Terms and Conditions and any other relevant Terms and Conditions with respect to Ziidi Shari'ah, these Terms and Conditions shall apply.
- (11) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THESE TERMS AND CONDITIONS AND IN ANY DOCUMENTS REFERRED TO UNDER THIS CLAUSE, YOU ACKNOWLEDGE AND AGREE AS FOLLOWS:**
- (a) SAVE AS OTHERWISE PROVIDED FOR IN THE INCORPORATION DOCUMENTS, SAFARICOM'S PRIMARY ROLE WITH RESPECT TO THE FUND IS TO PROVIDE THE NECESSARY TECHNOLOGICAL INFRASTRUCTURE TO ENABLE ITS M-PESA CUSTOMERS TO INVEST IN A SEAMLESS AND SECURE MANNER;**
- (b) THE RESPONSIBILITY FOR INVESTMENT OF THE FUND, SHALL SOLELY BE BORNE BY THE FUND MANAGER(S) LICENSED BY THE CAPITAL MARKETS AUTHORITY TO BE RESPONSIBLE FOR MANAGING AND ADMINISTERING UNITHOLDER FUNDS UNDER COLLECTIVE INVESTMENT SCHEMES;**
- (c) PURSUANT TO CONTRACTUAL ARRANGEMENTS BETWEEN SAFARICOM AND THE FUND MANAGER(S), THE FUND MANAGER(S) HAVE ENGAGED SAFARICOM TO PROVIDE CERTAIN SERVICES IN RELATION TO THE FUND SUBJECT TO THE UNDERSTANDING THAT THE FUND MANAGER(S) RETAIN THE PRIMARY RESPONSIBILITY AS AGAINST THE UNITHOLDERS, TO PROVIDE THEIR SERVICES AS LICENSED FUND MANAGERS; AND**
- (d) SAFARICOM EXCLUDES ALL LIABILITY THAT MAY ARISE FROM ANY LOSS OR DAMAGE SUFFERED BY YOU ON ACCOUNT OF THE INVESTMENT OR ADMINISTRATION OF THE FUND.**

3. INVESTMENT TERMS & CONDITIONS

- (1) The Fund Managers shall procure the creation and issuance of Units to the Unitholders.
- (2) Units shall be created and availed digitally through a platform provided by Safaricom.
- (3) The Units allocated to the Unitholder shall be equivalent to the amount of e-money invested by the Unitholder from time to time (and shall where applicable, include all interest accrued thereon from time to time).
- (4) We reserve the right to set the minimum number of Units that may be purchased by any Unitholder provided however, that unless and until such determination is made and communicated by us, the minimum number of Units shall be equivalent to Kenya Shillings One Hundred (Kshs 100).
- (5) The Unitholder may redeem or withdraw amounts invested (together with interest accrued thereon) to their M-PESA Account using the Access Channels.

- (6) Units are traded at the daily ruling price and will be repurchased by the Fund Manager(s), in accordance with the CIS Regulations as amended from time to time and on Terms and Conditions set out in the Trust Deed.
- (7) You may apply to invest in the Fund using the Opt in option on the System Menu.
- (8) The Customer applies to invest in Ziidi Shari'ah in accordance with the provisions of the Trust Deed. If a Customer's funds are received after 11.00am on a given day, the following day's interest will be used to calculate the value of the respective unit trust product(s).
- (9) The Unitholder shall at all times be responsible for any instructions sent to Safaricom and/or the Fund Manager(s) via the M-PESA Access Channels and shall ensure that any such instructions are complete and correct in all respects.
- (10) The Unitholder acknowledges the inherent risk associated with the selected investment products. The Unitholder furthermore agrees that Safaricom and the Fund Manager(s) will not be liable for the consequences of market influences and consequent changes in interest rates. The Unitholder bears the complete investment risk. Neither Safaricom, the Fund Manager(s) nor the Fund will be responsible for any loss, consequential or otherwise, arising from changes in tax or other legislation that may have an effect on the investment returns of the Fund.
- (11) The Unitholder is entitled to any information the law requires a collective investment scheme provider to disclose. Safaricom shall, for and on behalf of the Fund Manager(s), transmit such information if the Unitholder requests it.
- (12) Once a Ziidi Shari'ah Account has been opened, a statement of investment will be availed to the Unitholder through the M-PESA Access Channels.
- (13) The Fund Manager(s) and Safaricom reserves the right to withhold processing of any unclear, incomplete or ambiguous instruction forwarded by the Unitholder.
- (14) Neither Safaricom, the Fund Manager(s) nor the Fund will be liable for any loss incurred due to incorrect information being supplied by the Unitholder.

4. OPENING THE Ziidi Shari'ah ACCOUNT

- (1) By opting in, you confirm that you are least eighteen (18) years old and a registered and active M-PESA Customer for at least three (3) months immediately preceding the date of your application to open a Ziidi Shari'ah Account.
- (2) We reserve the right to verify the authenticity and status of your M-PESA Account and transactions and may decline your application if we are not satisfied that you have met these minimum requirements.
- (3) You hereby agree and authorize the Fund Manager(s) to request Safaricom for your personal information. Such personal information includes but is not restricted to your phone number, name, date of birth, ID or Passport Number and such other information that will enable us to identify you and comply with the regulatory "know your customer" requirements (together the "Personal Information").
- (4) You hereby consent to the use of and/or disclosure of the Personal Information and the M-PESA information by Safaricom to the Fund Manager(s) and for us to use and or disclose such Personal Information to deliver the product.
- (5) You may opt in solely by way of an electronic application made by you using your Equipment via the M-PESA Access Channels.
- (6) You hereby agree and authorize us to obtain and procure your Personal Information contained in the IPRS from the Government of Kenya and you further agree and consent to the disclosure and provision of such Personal Information by the Government of Kenya to us.
- (7) We reserve the right to request further information from you pertaining to your application to register for a Ziidi Shari'ah Account at any time. Failure to provide such information within the time we require may result in a decline of your application or denial of access to the product.
- (8) Our acceptance or decline of your application to register for the product shall be communicated through an SMS sent to your Safaricom mobile phone number (MSISDN) and or Equipment. You acknowledge and accept that our acceptance of your application to register for the product does not create any contractual relationship between you

and Safaricom and/or the Fund Manager(s) beyond the Terms and Conditions that apply to your M- PESA Account and the product from time to time.

- (9) We reserve the right to decline your application to open an Ziidi Shari'ah Account or, subject to 30 days' notice or such other notice as may be required by law, to revoke your registration at any stage at our sole discretion and without assigning any reason or, where not prohibited by law, without giving any notice thereto.
- (10) You represent and warrant that none of the cash and other assets forming the Account have been derived directly or indirectly from any act or omission that may constitute an offence or as a result of or in connection with any criminal conduct under the Proceeds of Crime and Anti-money Laundering Act No. 9 of 2009 or any other written law.

5. YOUR REQUESTS

- (1) You hereby irrevocably authorize us to act on all Requests received by us using your PIN and to hold you liable in respect thereof. We may nevertheless refuse to carry out any requests beyond the scope of the product as offered from time to time.
- (2) Safaricom and/or the Fund Manager(s) shall be deemed to have acted properly and to have fully performed all our obligations upon our compliance with the Request. We may ask for further information or confirmation (whether written or otherwise) from you before complying with a Request but shall not be obliged to comply with a Request in the absence of such further information or confirmation.
- (3) We shall decline any Request if you have insufficient M-PESA balance.

6. CUSTOMER COMPLAINTS

- (1) Complaints may be made in person in writing, by post, e-mail or by telephone to any of the Safaricom contact centre channels.
- (2) The Fund Manager(s) will take all measures to resolve all complaints in a fair, appropriate and timely manner.
- (3) All complaints will be handled in accordance with Fund Manager(s)' complaint handling procedures and The Capital Markets (Conduct of Market Business(Market Intermediaries) Regulations, 2017.
- (4) You acknowledge that the Fund Manager(s) may use Safaricom's existing customer support channels to resolve any customer complaints and queries.

7. FEES, CHARGES AND EXPENSES

- (1) All third-party costs associated with administration of the Fund apply and will be charged to the Fund. This will include but not limited to the fund management fees, Custodian and Trustee Fees, marketing and fund administration fees.
- (2) You will not be charged any fees for transfer of funds from your M-PESA Account into the Ziidi Shari'ah Account and for transfer of funds from the Ziidi Shari'ah Account to the M-PESA Account.

8. YOUR EQUIPMENT AND RESPONSIBILITIES

- (1) You shall at your own expense provide and maintain in safe and efficient operating order such Equipment necessary for the purpose of accessing the products.
- (2) You shall be responsible for ensuring the proper performance of your Equipment. We shall neither be responsible for any errors or failures caused by any malfunction of your Equipment, and nor shall we be responsible for any computer virus or related problems that may be associated with your access and use of the products and Equipment. You shall be responsible for charges due to any service provider providing you with connection to the Network and we shall not be responsible for losses or delays caused by any such service provider.
- (3) You shall follow all instructions, procedures and these Terms and Conditions and any other documents we may provide you concerning access and use of the products and Equipment.
- (4) You agree and acknowledge that you shall be solely responsible for the safekeeping and proper use of your Equipment and for keeping your PIN secret and secure. You shall ensure that your PIN does not become known or come into possession of any unauthorized person. We shall not be liable for any disclosure of your PIN to any third

party and you hereby agree to indemnify and hold us harmless from any loss and damage we may incur as a result of your intentional, negligent or reckless disclosure of the PIN.

- (5) You shall take all reasonable precautions to detect any unauthorized use of your Equipment, PIN and or the products and immediately notify us and Safaricom to enable us to take steps to protect your investment account and M-PESA Account respectively.
- (6) You shall immediately inform us in the event that:
 - (a) you have reason to believe that your PIN is or may be known to any person not authorized to know the same and/or has been compromised; or
 - (b) You have reason to believe that unauthorized use of the product has or may have occurred or could occur and a transaction may have been fraudulently input or compromised.
- (7) You shall at all times follow the security procedures we notify you from time to time or such other procedures as may be applicable to the products from time to time. You acknowledge that any failure on your part to follow the recommended security procedures may result in a breach of your responsibility to keep Personal Information confidential. In particular, you shall ensure that the products are not used or Requests are not issued or the relevant functions are not performed by anyone other than a person authorized by you.

9. INTELLECTUAL PROPERTY RIGHTS

You acknowledge that the intellectual property rights in the product (and any amendments, upgrades or enhancements thereto from time to time) and all associated documentation that we provide to you are vested in the Fund Manager(s) or Safaricom pursuant to the contractual agreements between the Fund Manager(s) and Safaricom or in other persons from whom they have been given a right to use and to sub-license. You shall not infringe any such intellectual property rights. You shall not duplicate, reproduce or in any way tamper with any documentation or functionality on the Equipment, USSD, STK Menu or Safaricom App without ours and Safaricom's prior written consent.

10. VARIATION AND TERMINATION OF RELATIONSHIP

- (1) We may at any time, upon notice to you, terminate or vary our business relationship with you and suspend or discontinue your Account and or access to the product:
 - (a) if you use the product for unauthorized purposes or where we detect any abuse/misuse, breach of content, fraud or attempted fraud relating to your use of the products;
 - (b) if your M-PESA Account or agreement with Safaricom is terminated for whatever reason;
 - (c) if we are required or requested to comply with an order or instruction of or a recommendation from the government, court, regulator or other competent authority to that effect or necessitating it;
 - (d) if Safaricom and/or the Fund Manager(s) reasonably suspects or believes that you are in breach of these Terms and Conditions;
 - (e) where such a suspension or variation is necessary as a consequence of technical problems or for reasons of your safety or public access fees;
 - (f) to facilitate update or upgrade the contents or functionality of the products from time to time;
 - (g) where your M-PESA Account becomes inactive or dormant or is deemed abandoned in line with the Unclaimed Financial Assets Act; and/or
 - (h) if we decide to suspend or cease provision of the products for commercial reasons or for any other reason as we may determine.
- (2) Termination shall not affect any accrued rights and liabilities of either party and, in particular, shall not affect your obligations to meet any liabilities incurred prior to such termination or interest earned from your Investment.

11. REDEMPTION OF UNITS

- (1) You may redeem your units, in whole or in part, through your Equipment and using the Access Channels, in accordance with the applicable terms of the Trust Deed.
- (2) Upon successfully redeeming your units (and any interest thereon) receipt of which shall be effected within a maximum of 72 hours Unitholder shall cease to be a Unit Holder to the extent of the Units redeemed.
- (3) Your right to redeem units may be suspended in certain exceptional circumstances with the Trustee's consent and in accordance with the Trust Deed and the Capital Markets (Collective Investment Schemes Regulations 2001) (as may be amended from time to time).

12. BREACH OF TERMS AND CONDITIONS

In the event of any breach of these Terms and Conditions, we may in circumstances where you fail to comply or fail procure compliance with the terms of a notice consequently served on you, require immediate redemption in full of your Investment (and any interest thereon) and/or forthwith terminate the contractual relationship with you without any consequential liability to you or any other person.

13. DISPUTE RESOLUTION AND GOVERNING LAW

- (1) Any disputes shall be handled amicably through the support mechanisms provided under these Terms and Conditions.
- (2) The customer care representatives shall handle the report in accordance with our standard complaint handling procedures ("the Complaints Procedure").
- (3) Any disputes not otherwise resolved pursuant to this clause shall be resolved in accordance with the Trust Deed and Scheme Rules.
- (4) This Agreement shall be governed by and construed in accordance with the laws of the Republic of Kenya.

14. DEATH OR BANKRUPTCY

On your death or bankruptcy, your obligations shall remain in full force and effect until such a time as they shall be duly satisfied in the manner prescribed by law. Any investments, held in your Account shall be dealt with in accordance with the applicable law.

15. NOTICES

Without prejudice to any other clause in these Terms and Conditions, all notices concerning the product shall be sent via SMS to the Safaricom mobile phone number (MSISDN) associated with your M-PESA Account and shall be deemed received if we do not receive a delivery failure notice.

16. PRIVACY

We are committed to respecting and protecting the privacy of the information we collect from you. Our privacy statement, as updated from time to time, explains how we treat your personal information, who we share your information with and measures taken to protect your privacy when you use our product. This can be found on Safaricom Data Privacy Statement. If unable to access the link or our website please reach us on any of our customer care channels to receive a copy.

17. MINORS

Notwithstanding the generality of the foregoing, a person with Parental Authority may open and maintain an account in their name for and on behalf of a minor. For purposes of this agreement, a person with Parental Authority shall include the birth parents of a minor, legal guardian, school-master or other person who can demonstrate legitimate authority over the minor's affairs.

18. MISCELLANEOUS

- (1) These Terms and Conditions (as may be amended from time to time) form a legally binding agreement binding on you and your personal representatives and successors.

- (2) This Agreement and any rights or liabilities accruing thereunder may not be assigned by you to any other person.
- (3) No failure or delay by either yourself or on our part in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy.
- (4) The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.
- (5) If any provision of these Terms and Conditions shall be found by any duly appointed arbitrator, 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 herein.
- (6) Any variations or amendments to these Terms and Conditions shall be binding upon you as fully as if the same were contained in these Terms and Conditions.
- (7) Your contractual relationship with the Fund Manager(s) is governed in all respects by the Laws of Kenya and the parties submit to the exclusive jurisdiction of the Kenya courts.

19. DISCLAIMER

- (1) Past performance is no indication of future results and that investing in a unit trust scheme constitutes a risk for your invested capital. This document does not constitute a distribution recommending the purchase or sale of any security or portfolio.
- (2) Please be advised that the Information Memorandum contains all information necessary to evaluate the product and should be read before investing. We recommend that you consult your own independent financial advisor to obtain professional advice before exercising any decisions based on the information present in this document.