SMEP MICROFINANCE BANK GENERAL TERMS AND CONDITIONS

The terms and conditions stated here in shall be the point of reference for the relationship between the Bank and the Customer. Specific terms shall apply to specific accounts and products or services.

1. Definitions

a. **Customer** - means any person(s) named on the onboarding forms for the SMEP Microfinance Bank Limited Account and related services.
b. **The Bank** – Refers to SMEP Microfinance Bank Ltd Plc.
c. **Bank Account** - means any account and/or loan product consumed by the customer.
d. **Card** - means the Visa debit card or prepaid card issued by the bank at the request and in the name of the person named upon it.
e. **Cardholder** - means any authorized user of the card issued by the bank.
f. **Transaction Instruction** - any instruction given by the customer in connection with his/her account.
g. **PIN** - means the Personal Identification Number required to gain access to the account via digital channels.
h. **Mobile banking Account holder** - the person who accesses bank account using mobile phone account and can save and borrow within the terms of the service.
i. **Conditions** - terms that relate to availing of loan facility, conventional, Overdraft or mobile loan.
j. **Due Date**- term of the Loan, usually stated in the offer letter or one (1) month from the date of disbursement for mobile loans.
k. **Cash Kash Loan-** term loan given to the customer through the mobile phone.
l. **Operative Account** - means the account operated through banks channels.
m. **Parties** – refers to the bank and the Customer together and where the context requires individually as a "Party".
n. **Website** – The interface for interacting with the bank online i.e **www.smep.co.ke**

2. Account Opening

2.1 Customer's Instructions

a. The Customer requests the Bank to carry out any instruction he may give in connection with his account.
b. All instructions shall be issued in writing and a record of the same kept for reference. The instructions can be delivered physically or via email.
c. The bank shall carry out necessary security procedures for authenticating all instructions received, physically or electronically.
d. No account shall be operated with Debit balance unless the customer has an overdraft facility.
e. The Customer may cancel the instructions issued by him before the Bank acts upon them, unless the Bank is irrevocably bound to act or process the transaction in question,.

2.2 Authorized signatories

These are all the person(s) authorized to operate an account. The customer will give their specimen signatures, names, contacts, addresses and other relevant KYC information.

All signatories are entitled to access the account as per mandate and operate the account factoring in account minimum balance.

2.3 Customer Agents

The customer may introduce agents who can operate the account on their behalf. The agent will be identified beforehand in a manner acceptable to the Bank.

The mandate and powers of the agents shall be defined and agreed upon upfront with the bank, in writing.

2.4 Legal Capacity and Enquiry

The Customer hereby authorizes the Bank to make enquiries relating to the account opening for which the bank is entitled and deems necessary.
The customer shall provide all such information and documents required by the bank to establish the identity of the customer or authorized signatories or Ultimate Beneficial Owners.
The documents shall detail the customers/signatories' legal capacity to open and operate the account. This shall be verified in line with the Anti-Money Laundering rules and regulations issued by the Central Bank of Kenya or any other regulatory body in Kenya or outside Kenya.

2.5 Ultimate Beneficial Ownership

The bank shall require customers to declare Ultimate Beneficial Owners of the funds transacted through the account. Such will fill in a declaration form or provide Ultimate Beneficial Ownership Form from the Business Registration Services portal.

2.6 Bank Charges and expense Interest

The Bank, at its own discretion may debit the Customer with;

2.6.1 Interest charged

The applicable rate of interest may be different for different products. The customer shall be notified of any changes.

The Customer irrevocably and unconditionally agrees to pay all such interest to the Bank as and when and in whatever way the Bank determines at its sole discretion.

The Customer hereby irrevocably and unconditionally waives any rights to demand or claim repayment of any interest paid to the Bank on any overdraft or any other Banking facilities arising in connection with its accounts.

2.6.2 Payment of Interest

The bank shall pay interest on qualifying accounts as prescribed in the banks products catalogue and Tariff. The interest payable is net of relevant taxes where applicable and is subject to change periodically.

2.7 Accounts Products

2.7.1 Fixed Deposit

i. Term Deposits

a. The Term Deposit account will not attract interest after the maturity date or if the funds held in the fixed account are recalled before the expiry date.
b. The customer shall provide the Bank with clear disposal instructions at least seven days prior to account maturity date.

ii. Call Deposits

Customers will give notice in writing for his/her wish to uplift the deposit.

2.7.2 Joint Accounts

a. Each of the individuals constituting the joint account customer hereby authorizes and empowers the other to endorse for deposit and to deposit with the Bank funds, cheques that belong to either or both.
b. In the event of the death of any of the individuals constituting the Customer, the surviving individual(s) shall be entitled to dispose of any credit balance, security or property remaining available to the account.
c. Any overdraft or other obligations incurred on the account shall be the joint and liability of everyone constituting the customer.

2.7.3 Minor Accounts

The bank shall be entitled to act on the instructions received from the guardian named on the account opening form, irrespective of whether the minor account holder ceases to be a minor until the Bank receives written notice to cease to act on the guardian's instructions.

3. Borrowing from the Bank

a. The account holder may access a loan from the Bank upon fulfilling the agreed terms. The provision of any facility, overdraft or other accommodation including mobile loans may be granted or declined at the sole discretion of the Bank.
b. The Bank will query the borrower's credit rating from a credit reference agency before a decision is made.
c. The borrower expressly consents and allows the bank to disclose personal data and credit information to the Credit Reference Bureaus provided that the information will be used for credit reference only.

3.1 Responsibility for Borrowing

a. Individual and sole traders are personally liable for any money owed to the Bank.
b. Joint account holders and partnerships are jointly and severally liable for money owed to the Bank, even if one of the account holders has subsequently ceased to be a partner unless there is an agreement between the Bank and the Customer in writing to the contrary.
c. Individuals authorized to give instructions relating to clubs, charitable organizations, churches, groups and societies are individually and jointly liable for money owed to the Bank, unless otherwise agreed with the Bank.
d. The signatories to a company's or a corporation's account are not personally liable for money owed by such companies or corporations to the Bank, unless they entered into a separate agreement to this effect with the Bank.

3.2 Mobile Loans

a. The customer shall access digital loans (Cash Kash) only if they qualify subject to automatic prescoring. The Account holder by completing a Cash Kash Loan application online shall be deemed to have read, understood and agreed to be bound by these Conditions.
b. The loan shall not exceed the prescored limit for the customer and shall be for a period of one month.
c. The customer further consents to receiving SMS

notifications relating to the mobile loan accessed.

d. Any unsettled Cash Kash loan shall be rolled over as a fresh Cash Kash loan which will persist until full settlement.
e. The Mobile Loan shall be credited to the customer's account and the commission and excise duty amount charged to the account.

3.3 Amount of the Mobile Loan Facility and Repayment

a. The maximum amount that will be advanced shall not exceed the loan limit.
b. The advance will be repaid directly from the customers' bank account.

3.4 Customer Liability

The Customer shall remain liable to the Bank for all loans, overdrafts and monies borrowed or incurred by and all costs, charges, expenses, commissions and other liability whatsoever incurred despite having given any authority to an agent.

3.5 Right of set-off

The Bank may at any time, without notice, set off against any account or indebtedness of the Customer.

Such will be effected on any account whether current, loan, savings or any other type, against any sums owing by the Bank to the Borrower. This shall apply whether jointly or severally and otherwise combine and consolidate all or any of the accounts of the Borrower with the Bank.

The Bank will promptly notify the Borrower of such action. However, failure to notify shall not invalidate such action.

3.6 Availability and Disclosure

The lender also reserves, and the borrower hereby authorizes the lender to disclose to any person/institution (that the lender may partner with in relation to the repayment or recovery of the facility.

3.7 Default

The bank shall not be obligated to advance the loan or where the loan has been advanced, may demand immediate payment of all amounts owed under the agreement, in the event that;

a. The borrower fails to pay any sum payable under this agreement on its due date for the payment.
b. The borrower fails to perform and observe any of its obligations under this agreement
c. Any representation or warranty made to the bank by the borrower is or becomes incorrect or misleading in any material respect.

4. Lien

a. The Bank has a general lien over all property of the Customer in the Bank's possession, where the customer is indebted to the Bank. This includes but is not limited to cash goods, securities or valuables deposited for the safe custody or as security, cheques presented for repayment and any other property movable or immovable charged to secure repayment of any money whether that money has been repaid or not.
b. The Bank may at any time give the Customer notice in writing that if an accrued debt is not paid within a stated period being not less than 14 days, then the Bank may without further notice realize sufficient of the Customer's assets as to discharge the debt.
c. If the debt is not discharged within the time allowed, the Bank may realize sufficient of the Customer's assets to discharge the debt. Any sum remaining after such a transaction will be held for the Customer subject to these Terms and Conditions.

5. Deposit of Cheques

a. All cheques or other orders for payment of whatsoever nature are accepted for deposit or collection at the risk of the Customer.
b. The Customer must allow cheques to clear as per the clearing cycle before making any withdrawal.

6. Overdrawn accounts

The Bank is entitled to demand immediate repayment with interest of any account that is overdrawn. The bank shall share information for overdrawn accounts with the Credit reference bureau and further apply appropriate recovery measures.

7. Deceased Customer Account

The bank shall administer the estate of the deceased in accordance with the letters of administration. Customers shall nominate the next Kin during the onboarding process.

8. Account closure or suspension

The Bank reserves the right to close or suspend any account which upon investigation is suspected to have been opened fraudulently or is being used to perpetuate irregular transactions, has reported disputes or lacks sufficient Know Your Customer (KYC) documentation as provided for in the bank's procedures.

The Bank may at any time upon notice terminate or vary its business relationship with the Customer and in particular but without prejudice to the generality of the foregoing the Bank may cancel credit which it has granted and require the repayment of outstanding debts resulting there from within such time as the Bank may determine

9. Payment by third Parties

The Bank may credit the Customer with amounts paid in by third parties through all available bank channels.

10. Customer Complaints

The bank will only act and respond to customer complaints through the same medium it was escalated in compliance with the Banking Sector Charter.

All complaints should be documented before being considered for the bank's support.

The bank shall provide a dedicated telephone line and email through which customers can contact the bank.

11. Communications

The Bank will obtain and/or give out information regarding your account(s) from or to any institution, individual, or credit reference bureau on the borrower, co-borrower(s), and/or guarantors at any time whether there are any loans outstanding with the Bank or not.

a. All notices, statements, letters and other communications from the Bank may be sent to the last address and/or email given by the Customer, and the date on the Bank's copy of any such communication is taken to be the date of such dispatch in the absence of proof of the contrary.
b. Any written communication from the Bank to the Customer including but not limited to any notice given pursuant to these Terms and Conditions shall be deemed to have been received by the Customer, if delivered then at the date and time of delivery, and if sent by post it shall be sufficient to prove that the letter containing the communication was properly stamped and addressed.
c. The Customer has no claim on the Bank for damages resulting from losses, delays, misunderstandings, mutilations, duplications or any other irregularities due to transmission of any communication whether to or from the Customer, the Bank or any third party, by delivery, post, telephone or email.
d. Notices/communications will be deemed to have been received three (3) days from the date of posting or transmission through email.

12. Bank Partnerships

The bank shall collaborate with other partners to offer alternative banking solutions. Such solutions shall enable the customer to access his/her account, make bill payments and other remittances.

Upon registering, the customer agrees to these Terms and conditions and those of the Third Party partner.

The customer agrees to be bound by the following terms and conditions:

a. The Bank does not guarantee that the third-party service (ATMs, Agent terminals, mobile phone solution) will operate without any interruption and shall not be liable for any interruption of the services or its consequences.
b. The Bank shall not be liable for the service interruption such as utility supply to the Customer or any payments/remittances for any reason whatsoever.
c. The Customer warrants that all the information provided in application form is accurate. Any changes thereto will be notified to the Bank promptly and updated to the core banking system via an approved static data amendment form.
d. The Bank will not be liable if payment of any utility bills is not completed by reason partly or wholly of the actions or omissions of the supplier of the utility or of the Customer.
e. The Bank will not be liable if the payment of any bill is not completed because of equipment or systems failure within the Bank or the utility supplier.
f. The Bank will debit the Customer's account with such amount.

13. Cheque books

Terms and conditions;

i. All uncompleted cheque forms must be kept in safe custody at all times.
ii. In case a cheque form or book is lost, the customer shall notify the bank immediately.

iii. Persons preparing cheques should be deemed authorized to do so.
iv. Cheques shall be signed in ink or other indelible writing materials.
v. Cheques issued shall be duly filled and signed as per mandate.
vi. No cheque shall be issued with alterations, whether countersigned or not.
vii. No uncompleted cheque shall be given to a third party.
viii. The customer shall return all remaining cheque leaves upon closure of an account.

14. Drawing of Cash

a. The Bank may refuse payment of any cheque not drawn on the Bank's cheque form in the manner specified by the Bank.
b. The Bank will pay cash to the Customer where the cheque is signed in the presence of the teller by authorized signatories.
c. Where cash cheque is presented not by the Customer but by a third party, the Bank may require confirmation from the Customer or from a representative of the Customer before it makes payment.

15. ATM Cards

15.1 Card Utilization

a. ATM card is not transferable and shall only be used by the Cardholder.
b. The ATM card remains the property of the Bank and must be returned to the Bank upon cancellation.
c. The Card may only be used during the validity period indicated on the Card.
d. The Card, being a VISA Card, may be used globally to transact on all VISA compliant channels. All such transactions shall be debited from the Customer's Bank Account linked to the card.
e. In the absence or manifest error, the Bank's records as to any transaction instructions or their consequences thereof, shall be conclusive.
f. The card must not be used for any unlawful purpose, including the purchase of goods or services prohibited by local and international law.

15.2 Safeguarding the Card

a. A Cardholder must exercise all due care and attention to ensure the safety of the Card.
b. A Cardholder must not disclose his/her PIN to anyone under any circumstances.
c. If a Card is lost or stolen or if a PIN is disclosed to any unauthorized person, the Cardholder must immediately notify the Bank of such loss, theft or disclosure., in writing.
d. The Bank at any time and without notice can cancel and suspend the right to use any card entirely or in respect of specific facilities or refuse to re-issue, renew or replace any Card, without in any case affecting the principal Cardholder's obligations under this agreement which shall continue in force.

15.3 Additional Cards

A Cardholder wishing to have an additional Card on his/her account must open a joint account and sign mandates authorizing the use of the account by the additional Cardholder who must also sign the same mandates.

15.4 Cancellation of Cards

The Cardholder(s) may at any time cancel his/her card by returning it to the Bank.

15.5 Replacement of Cards

The bank shall endeavor to replace cards when expired, lost or compromised upon request from the customer.

15.6 Liability of Cardholders

a. Cardholder(s) shall be fully liable in respect of each transaction instructions using his/her card. Cardholders should not disclose the PIN to a third party..
b. The Cardholder must query any transaction instruction he/she considers suspicious as soon as this comes to the cardholder's attention.

16. Mobile Banking

16.1 The service

The service is only available to customers through the mobile phone declared and registered on the core banking system.

The service shall be availed to specific MNO subscribers with which the bank has entered into an agreement.

The bank reserves the right to accept or decline any application for the service at its sole discretion. The service is however not available to Savings accounts and any joint account except where signing instructions are any to sign, "Singly."

16.2 Terms and Conditions

f. The customer shall apply for the service in writing through the customer onboarding form or relevant forms provided by the bank.
g. It is the customer's sole responsibility to familiarize oneself with the operating procedure for the service. The Bank will not be liable for any losses incurred as a result of your errors either of commission and/or omission.
h. The Bank will provide the customer with a Personal Identification Number (PIN) for use with this service which should be maintained discretely.
i. The provision of the service is subject to the availability of the mobile telephony connectivity.
j. The customer must notify the bank in case of loss of SIM card or mobile phone. The bank shall no tbe liable for any loses as a result of such a loss.
k. The Bank reserves the right to enhance the services at any time without giving notice to the customer and make efforts to notify the customer of any changes or updates.
l. The Bank reserves the right to charge a fee for the provision of the service as per the tariff and debit to the customer's account
m. The Bank reserves the right to terminate this service.
n. The Customer shall notify the Bank of any changes in the account number, mobile telephone number(s), address and any other information that may affect the ability to access the service. The Bank will not be held liable for sending information to your mobile telephone number as contained in our records at any given time.
o. The account holder by accessing the application through USSD or downloading the app from google play store, consents to allow his/her wallet account linked to the core account.
p. The Bank reserves the right to terminate the use of this service upon notice to the customer. The Customer may also terminate the use of this service.
q. Termination- The Bank may discontinue in its sole discretion at any time without prior notice to the customer the use of this service, or suspend temporarily for upgrade, expansion, maintenance and repair activities, or for any emergency reason as deemed necessary.
r. Disclosure - Information and instructions received from the customer through the service will be stored by the Bank and accessed by employees of the Bank (as is deemed necessary)

17. Funds Collection Till

17.1 The Service

The bank may work with industry service providers and facilitate the customer to get a till upon completion of all required documentation.

The till will be unique number assigned by the service provider partnering with the bank.

By accepting to apply for the tills, the customer consents to the Terms and Conditions of the service provider of the tills in addition to these Terms and Conditions.

18. Fees

The bank shall recover relevant fees, commissions and charges from the customer's account as per the prevailing Tariff.

18.1 Facility Fees and Expenses

a. All loan related fees shall be debited from the customers account.
b. The borrower shall reimburse the bank upon demand, all costs and expenses incurred on behalf.
c. The borrower irrevocably authorizes the bank to debit his/her accounts if the borrower fails to make payment within 7 days.

18.2 Legal Charges

The bank shall pass to the customer the costs incurred in legal processes, arbitration or other proceedings arising out of dealings in respect of the customer.

18.3 Commission

a. The bank may charge commission at such rates and at such time or times as the bank decides, with discretion to charge different rates for different accounts.
b. Mobile loan Commission shall be calculated and deducted from the customer's account at a rate determined by the bank.
c. The bank reserves the right to revise the applicable rate and penalty fees from time to time.

18.4 Channels Processing Fees

The bank may recover all fees from the customer's account relating to the issuance of channels. This includes and is not limited to Cards and Cheque Books.

18.5 Transactional Charges

The bank may debit the customer's account with all transactional charges for all chargeable transactional services as per the prevailing tariff.

19. Non-repudiation

Until and unless you notify the bank otherwise, all instructions received by the bank which are associated

with your mobile phone details will be deemed to have come from you, and the bank shall be entitled to rely on such instructions.

20. Indemnity

The Customer hereby agrees to indemnify, and hold indemnified the Bank:

a. Against any loss, claim and/or damage that may arise due to negligence, fraud, collusion or violation of these terms by the customers and/or his/her agents.

b. Liabilities incurred in respect of all liability relating to losses, actions, costs, claims, damages, charges, legal and other professional fees which the bank may incur/suffer because of anything done or omitted to be done by the agent pursuant to the authority given to the agent or in breach of that authority.

c. The borrower will indemnify the lender against any loss or expense which may be incurred because of any default in payment by the borrower of any sum hereunder when due and/or the occurrence of any event of default.

Where payment is to be made, the Customer indemnifies the Bank in respect of all payments made to the agent.

Should the Bank act upon any instructions received electronically, the Customer hereby irrevocably undertakes to indemnify and hold the Bank harmless against all costs, damages and liability howsoever arising as a result.

21. The Banks Website

21.1 Copyright and Trademarks.

a. The bank's Website and copyright in the content of and materials featured on the website are the property of SMEP Microfinance Bank.

b. SMEP Microfinance Bank Limited Plc" and certain other names, words, images or logos, identifying the bank and the products and services featured on the Website are the property and trademarks of the bank.

c. The names and logos of third parties mentioned on the Website may be the trademarks, trade names or unregistered trademarks of those third parties and are used by the bank with permission of such parties. Such shall not be copied, reproduced, transmitted or distributed in any medium without the bank's permission

21.2 Third Party Products, services and Websites

a. The bank does not warrant, and is not responsible for, the quality or availability of third party products and services The Website may, from time to time, refer to third party products and services..

b. No third-party website may in any way be linked to the Website without our prior written consent.

22. Use of e-mail (including e-mail Alerts)

Beware that any message you send to us or we send to you through the internet may not be secure, any data contained therein may be intercepted by or otherwise become available to a third party. There is a chance incoming and/or outgoing messages may delay.

23. Security of your Information

The bank shall take appropriate measures to secure your information. However, the Bank cannot guarantee the security of any information exchanged via the Internet due to the vulnerability of the internet.

We are not responsible for any damage you, or others, may suffer because of the loss of confidentiality of such information

24. General

a. Each of the Terms and Conditions contained herein is separate from all other Terms and Conditions, so that if one Legal Term is found to be invalid or unenforceable this will not affect the validity of any of the other Terms and Conditions.

The failure or delay by the Bank to enforce any of its rights under these Terms and Conditions, does not stop the Bank from taking any action to enforce its rights in the future.

25. Applicable Law

These Terms and Conditions shall be governed by and interpreted in accordance with Kenyan law. Any action or proceeding arising out of or concerning these terms and conditions shall be exclusively within the jurisdiction of the Kenyan courts.

The loan agreement shall be governed by and shall be construed in accordance with the laws of Kenya.

Notwithstanding the above, the bank may in its sole discretion, elect to take any dispute to the arbitration.

26. Amendments and Conditions

The Bank may vary this Agreement at any time whether a similar variation is made to the agreement(s) with any other service or product consumed by the customer. The customers shall be notified of the amendments

27. Force Majeure

Notwithstanding any provision contained in these terms and conditions, the Bank shall not be liable to the customer to the extent that the fulfillment or performance of any terms or conditions herein is delayed or prevented by acts beyond the banks control such as acts of Gods, floods, fires Government's regulator action, civil disorders etc. The bank shall make all reasonable efforts to minimize the impact of such.

28. Acknowledgement.

I/We the undersigned understand that I/we will be deemed to have read, understood and accepted the General Terms and Conditions that apply to the Bank's products and services, and I/we hereby agree to comply, observe and be bound by the same.

29. Privacy statement

SMEP Microfinance bank Limited Plc will handle your personal information in line with the Data Protection Act.

The data we collect from you relates to your unique identification or the legal entity associated with you. We allow you to voluntarily share your data which we process in our systems.

You have a right to access a copy of your personal data, request for correction, erasure or object to processing

We will collect and process your personal data only for the reason you provided it to the bank, with your consent. The data will be processed to enable you access certain products and services, protect your interests.

Data shall be retained in line with the bank's legal and regulatory obligations and for business and personal purposes.

The bank may need to disclose your personal data to third parties working in line with the bank's business partnership, with your consent.

30. Consent

I/We the undersigned

a. Give consent to SMEP Microfinance Bank to collect, use, disclose and process my/our personal and sensitive data by myself/ourselves for the purposes of business relationship management.

b. Agree to operate governed by these terms and conditions for which we have read and understood and can be accessed on the bank's website www.smep.co.ke

c. Authorize the bank to process my/our sensitive personal data both within and outside Kenya.

d. Authorize the bank to use my/our data for analytics, marketing or similar commercial purposes.

e. Agree to operate our accounts and transact governed by these Terms and Conditions.

In case of minor.

Name of the child

……

Birth Cert. No. : ……

Parent/Guardian/Signatory

Name:……..

……

ID: ……..

Sign as .: ……

Date:……

In Case of Legal Person

(Other signatories)

Name: ……..

……

ID: ……..

Sign as .: ……

Date:……

Name:……..

……

ID: ……..

Sign as .: ……

Date:……

Name:……..

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ID: ……..

Sign as .: ……

Date:……