

DEED OF INDEMNITY

To: The Registrar,
National Debt Office,
The Central Bank of Kenya,
P. O. Box 60000,
00200 NAIROBI

THIS INDEMNITY is issued to you by _____ (Name of CDS Account Holder), of Post Office Box Number _____, _____ Nairobi, the holder of CBK CDS Account Number _____, hereinafter referred to as the 'Account Holder'.

WHEREAS: -

1. The Account Holder acknowledges that as a prerequisite for the processing of a request for the sale of Government Securities by the National Debt Office of the Central Bank of Kenya (hereinafter 'the Bank'), the Account Holder must submit to the Bank a complete sale order from duly executed by them.
2. Currently, apart from commercial banks which utilize the SWIFT communication network to access the Bank's T24 electronic platform to submit their sale orders, all other CDS account holders are required to complete and submit to the Bank duly executed physical sale order forms for processing manually.
3. In order to benefit from the efficiency of the electronic submission of sale orders, the Account Holder has entered into an agency arrangement with the _____ (indicate the name of the commercial bank; hereinafter referred to as 'the commercial bank') and mandated the commercial bank to issue instructions to the Bank on its behalf for any sale order of Government securities.
4. The Account Holder will ensure that all authorizations, approvals and related documentation necessary for the commercial bank to issue instructions to the Bank on their behalf, more particularly for 'buy sale trades' using the MT 502 SWIFT message type, have been duly obtained.

5. The Bank is amenable to the submission of instructions by the Commercial bank on behalf of the Account Holder, provided the Account Holder furnishes a suitable Deed of Indemnity to the Bank.

NOW THIS INSTRUMENT WITNESSETH THAT:-

In consideration of the Bank effecting instructions for buy/sale trades (MT 502) from the commercial bank, with respect to (indicate CDS account Name and Number) _____ on behalf of the Account Holder, the Account Holder:

- (i) Hereby releases and discharges the Bank from any obligation, right or benefit whatsoever with regard to any SWIFT MT 502 or other sale related instruction sent to or effected by the Bank relating to the cited CDS account.
- (ii) Will to the extent of the value of any transaction effected on the basis of such SWIFT MT 502 or other sale order related instruction sent from the commercial bank to the Bank, indemnify and keep the Bank indemnified at all times, against such or any liability arising from the transaction(s).
- (iii) Undertakes to indemnify the Bank from and against all proceedings, damages, costs, claims, expenses or losses which the Bank may incur or sustain by reason or on account of effecting instructions from the commercial bank on behalf of the Account Holder for the sale of government securities.

IN WITNESS WHEREOF the ACCOUNT HOLDER has caused its common seal to be hereunto affixed on the _____ day of _____ 2013.

SEALED with the Common Seal of)
(Insert Name of the Company_____)

)
DIRECTOR)

)
)

DIRECTOR)
)