

Statement by Edwin H. Dande With Regard to the Recent High Court Ruling:
JR Application No. 8 of 2017

In 2014 I resigned, alongside my 3 colleagues, from our previous employer, Britam. The resignation was due to an operating environment that was fraught with illegalities and unethical business practices that we did not agree with. As an investment management team, our principal duty is always to our investing clients. Consequently, we could not agree to be part of actions such as illegally using client insurance funds to purchase shares of Britam to rescue a failed IPO, we objected to using insurance funds under our management to purchase a failing bank - a transaction that has now led to loss of billions of shillings of investors' funds, we objected to failure to send statements or sending out-rightly misleading statements to investors in the unit linked products, we resisted being forced to put excessive funds into a bank where a relative of a Britam director worked, but what brought matters to a head was an attempt to have us take away from clients a Kshs. 5 billion portfolio, one that we had originated for clients, and give to the group. At that point, the environment became untenable and we resigned.

Following our resignation, Britam launched a full-scale assault in an attempt to ruin our careers by filing 7 different suits claiming up to Kshs. 9.8 billion in stolen funds. While they claim to have lost money, the amounts were about commercial joint venture arrangements that had gone sour because Britam wanted to renegotiate with various counterparties, to the detriment of investing clients. The suits were obviously malicious and designed to achieve only two objectives: first was to punish the former team for daring to leave as a team, and second was to deter competition. Most of the suits have since been withdrawn and we have filed for judgment on costs on those. We are left with two pending criminal complaints totaling Kshs. 1.2 billion, which was the subject of the recent court matter.

It is obvious that Britam being a listed public company, with audited and published financial statements, has never lost any money. That a team of 4 former employees would transfer amounts Kshs. 9 billion without authorization is just bizarre. There is no reasonable or factual basis for the claims. These charges were instituted maliciously and we had hoped that the courts would stop the misuse of criminal process to stop business competition. We disagree with the ruling, but now that we have not succeeded to have the High Court stop the malicious prosecution, and knowing that we are completely innocent, we have decided to take the matter head-on and go to full trial to exonerate our names, just as we successfully exonerated ourselves before professional bodies such as the CFA Institute where the same allegations were lodged. In addition to exonerating our names, the trial will also be an opportunity to fully explain the conditions and circumstances that led to our resignation.

For our esteemed clients, please note that these allegations are against only 4 individuals, in their individual capacity, and has nothing to do with Cytonn the company. The company has grown to over 500 individuals all focused on one thing – the client; delivering the best possible returns, the best possible client servicing. and protecting the interest of our clients.

To my fellow colleagues, let's not be distracted – it is the primary intention of this suit. Let us stay focused on innovation, competing with ideas and executing ruthlessly on those ideas – it is what has brought us this far. We have over 3,000 clients who have entrusted us with over Kshs. 20 billion in various investment products - they must always remain our key focus.

We shall now proceed to full trial and get this matter sorted once and for all; all else remains business as usual.



Edwin H. Dande

12/09/2018.