

PRESS RELEASE

MEMBERS OF THE NAIROBI STOCK EXCHANGE (NSE) APPROVE DEMUTUALISATION AT EXTRA-ORDINARY GENERAL MEETING

Thursday 4th March 2010..... The Members of the Nairobi Stock Exchange (NSE) today held an Extra-Ordinary General Meeting (EGM). This EGM comes at a crucial juncture in the history of the bourse as the demutualisation process nears completion.

The Members of the Exchange take cognizance of the remarkable growth of the market since its inception and also note that with such growth must come change. The Exchange must continually adapt itself to the changing realities of the economy and the market.

The decisions made today by the members reflect the negotiated position arrived at after extensive consultations. The members were also guided on the process and the legal effect of demutualisation by the Chairman of the Legal Sub-Committee of the Demutualization Steering Committee Mr. George Oraro.

The Members unanimously approved;

1.
 - a. The Demutualization of the Nairobi Stock Exchange subject to the coming into force of the relevant provisions of law that provide the legal framework to achieve demutualization;
 - b. The authorised share capital of the shareholders of the new proposed post demutualised to be Kshs. 1 Billion
 - c. The shareholding in the proposed post demutualised company will be as under;
 - i. The current Members – 80%
 - ii. Investor Compensation Fund (ICF) – 10%
 - iii. The Government of Kenya – 10%
2. The Members have approved the proposed post demutualisation Memorandum and Articles of Association of the Nairobi Stock Exchange

3. The Members have authorised the Board of Directors of the Nairobi Stock Exchange (NSE) to deal with any other matters, including statutory requirements, necessary to facilitate the demutualization of the Nairobi Stock Exchange

The Members reiterate their commitment towards fostering a vibrant capital market. The resolutions passed here today will enable the Nairobi Stock Exchange to effectively play its role in sustainably developing the Kenyan economy. Demutualisation will transform the Exchange and position it to realize its vast potential and attain its vision **“To be a leading securities exchange in Africa, with a global reach”**.

EDDY NJOROGE
CHAIRMAN