

SPEECH BY THE CHAIRMAN OF THE NAIROBI STOCK EXCHANGE (NSE) EDDY NJOROGE ON THE COMMISSIONING OF THE COMPLAINTS HANDLING UNIT (CHU) AT THE NAIROBI STOCK EXCHANGE ON THE 18TH OF AUGUST 2009

The Chairman, Capital Markets Authority (CMA), Mr. Micah Cheserem,

The Chairman, Central Depository and Settlement Corporation (CDSC), Mr. Charles Ogalo,

The Chairman, Kenya Association of Stock Brokers and Investment Banks (KASIB), Mr. Michael Gichohi,

The Chief Executive Officer, Capital Markets Authority (CMA) Ms. Stella Kilonzo,

The Chief Executive, Nairobi Stock Exchange (NSE), Peter Mwangi,

The Chief Executive, Central Depository and Settlement Corporation (CDSC), Ms. Rose Mambo,

The Chief Executive, Kenya Association of Stock Brokers and Investment Banks (KASIB), Jane Njeru,

The Board of Directors, Nairobi Stock Exchange (NSE)

Our partners, Footprint Computer Solutions

The management and staff of the Nairobi Stock Exchange (NSE)

Members of the press

Invited guests

I wish to thank you for joining us on this auspicious occasion of the launch of the Complaints Handling Unit (CHU). This unit symbolises for us a positive step in improving our relationship with the investors, especially our retail investors who have been and continue to be the driving force of liquidity in this market.

Ladies and gentlemen: Investor confidence with our market has dropped over the past few years due to what happened to a few of our members. This has been compounded by the fact that there is no structured way of handling any concerns that the investors may have, from time to time.

Through partnership and co-ordination with our stakeholders; the Capital Markets Authority (CMA), Central Depository and Settlement Corporation (CDSC) and the Kenya Association of Stock Brokers and Investment Banks (KASIB), the CHU will form

the link between all parties concerned in aiming to resolve investor issues in a quick and efficient way.

This unit will bridge the confidence gap with our retail investors. It is premised on the three principles that drive our trading system: transparency, centralisation and automation. This e-based solution will provide a wide array of benefits, both for the investors and the players in the capital markets.

For the investor, the Complaints Handling Unit provides a hassle free and convenient way to have any concerns processed and resolved. The ease of access to the CHU by e-mail and fax provides a 24 hour 7 days a week availability, especially to the urban and diaspora investors. This e-based driven solution facilitates tracking of progress on line through the input of a unique reference number.

Further, for those not yet on the internet, we have activated access via the mobile phone making it convenient for the investors in the non urban areas to conveniently follow up with their issues. Our staff are also on hand to receive those investors who wish to pay us a visit. The fact that the complaints will be lodged at one centralised place avoids duplication of efforts in trying to resolve a matter, making it faster and ensuring efficient utilisation of man hours and resources. The CHU will also act as an information dissemination point, where investors can get accurate information on their queries.

For us as partners, through collection of data in a standardised format, the Complaints Handling Unit (CHU) will also act as a data capture point that informs us of areas that need attention and possible reforms. The ability for the system to track statistics on the nature of complaints and their frequency will enable us to adequately address arising issues.

Investor confidence is a two way street that requires us to not only talk to the investors but also get them to give us feedback. We need to understand the challenges that the investors are facing and get to know what products they would wish to see in the market. The Complaints Handling Unit will for us be the interface we have with the retail investors towards this purpose.

It is my hope that investors will utilise this opportunity to ensure that they take a more active role in the development of the capital markets. Sustainable growth of the capital markets can only be through an informed domestic participation.

With these few remarks, ladies and gentlemen, I wish to declare the NSE Complaints Handling Unit, officially opened.

EDDY NJOROGE
CHAIRMAN