COMMITTEE TERMS OF REFERENCE (TOR's)

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AUDIT, RISK AND COMPLIANCE COMMITTEE TOR's

PROPOSED REVISEDTERMS OF REFERENCE FOR THE NAIROBI SECURITIES EXCHANGE PLC BOARD AUDIT, RISK AND COMPLIANCE COMMITTEE

VERSION 19TH AUGUST 2021

CONFIDENTIAL

AUDIT, RISK AND COMPLIANCE COMMITTEE

Reference to “the Committee” shall mean the Board Audit, Risk and Compliance Committee; whereas reference to “the Board” shall mean the Nairobi Securities Exchange PLC (NSE) Board of Directors.

1. Mandate

The Committee has been established to monitor, review and make recommendations to the Board on the adequacy of NSE’s internal control, risk management and compliance monitoring systems and to monitor the organization’s Corporate Governance.

2. Composition and attendance

2.1 The Committee shall consist of at least three (3) Board members all of whom shall be independent non-executive directors with at least one (1) member having recent and relevant finance/accounting and audit experience and another having risk management and compliance expertise.

2.2 The Board shall appoint the Committee Chairperson, who shall be an independent non-executive director.

2.3 In the absence of the Committee Chairperson at a meeting, the members present shall elect one amongst themselves to chair the meeting.

2.4 The Committee Chairperson may invite relevant external expert resources to attend Committee meetings, if need be, subject to the agreement of the members of the Committee.

2.5 The Chairman of the Board shall not be a member of this Committee.

2.6 Unless determined otherwise by the Committee, the Chief Executive shall be in attendance as shall the Chief Internal Auditor or other designated representative of the Internal Audit Division and the Risk, Compliance and Strategy Manager or other designated representative of the Risk, Compliance & Strategy Department. Any other relevant member of the NSE Management may attend by invitation as and when required.

2.7 Subject to review by the Board, the term of appointment of the members of the Committee shall be for a period of one (1) year each, which will be automatically renewed in subsequent years for one (1) year periods, unless the Board determines otherwise or the re-appointment is not approved by shareholders at the next Annual General Meeting after appointment or re-appointment. Notwithstanding the foregoing, the membership of any member shall automatically terminate in the event that the member ceases to be a director of the Company or if the Board so determines.

2.8 The Committee may establish sub-committees as appropriate to deal with specific matters, as per Terms of Reference to be stipulated by the Committee.

3. Secretary

Unless determined otherwise by the Board, the Company Secretary and Chief Legal Officer shall be the Secretary of this Committee.

4. Quorum

4.1 The quorum necessary for the transaction of business shall be two (2) members.
4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Conflict of Interest

5.1 Matters of Conflict of Interest will be dealt with in accordance with the relevant provisions in the Board Charter with regard to Disclosure and Conflict of Interests.
5.2 At each Committee meeting, each member will sign the Conflicts Register and if a member so has a matter in the agenda for the meeting that they have an interest in, such member will disclose such interest after which the Disclosure and Conflict of Interests provisions in the Board Charter will come into play.
5.3 Any conflicts noted will be minuted accordingly.

6. Frequency of Meetings

6.1 The Committee shall meet at least four (4) times in each year, at appropriate times in the reporting and audit cycle, and as otherwise required.
6.2 Special meetings of the Committee may be convened as and when there is urgent business that requires deliberation by the Committee.

7. Notice and format of Meetings

7.1 Meetings of the Committee shall be convened by the Secretary of the Committee as per approved Board meeting schedule or at the request of the Chairperson of the Committee.
7.2 Unless otherwise agreed, notice of each meeting confirming the venue (depending on the format of the meeting – pursuant to Section 7.3 herein), time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, not later than ten (10) days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at least five (5) days before the date of the meeting.
7.3 The Committee may hold its meetings either in person, or using electronic means (virtual) or by hybrid means (a combination of in-person and virtual).

8. Conduct of Meetings

8.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
8.2 Minutes of Committee meetings shall be circulated to the Committee Chairperson within twenty one (21) days of the Committee meeting, for review.

8.3 Decisions of the Committee shall be by consensus and where such consensus cannot be reached, a vote shall be taken to determine the matter.

9. Authority, Resources and Approvals

9.1 The Committee has authority and power that includes:

9.1.1 Access to the External Auditor, the Chief Internal Auditor and other Internal Audit Division staff, the Company Secretary and Chief Legal Officer, the Chief Officer – Strategy, Risk and Compliance and any other members of NSE Management as necessary, lawyers and other agents of the Company without necessarily going through the management hierarchy (though the hierarchy should be respected unless there are compelling reasons to avoid it);

9.1.2 Powers to require the presence of any Executive Officer of the Company or other employee at the Committee meeting or other venue (the Chief Executive should be notified unless there is investigatory conflict);

9.1.3 Authority to conduct any reasonable investigations within its area of responsibility; including having the right to hire independent experts for such investigations, approve terms of such engagements and having such investigations paid for by the Company;

9.1.4 Having the right to investigate any employee complaints (whistle-blowing) related to financial reporting matters; and

9.1.5 Access to sufficient resources in order to carry out its duties.

9.2 In addition to approvals given in a physically convened meeting, the Committee may approve any matters by circular resolution or e-mail circulation or other electronic means.

10. Scope of Responsibility

10.1 Audit Functions

The Committee shall have the following responsibilities:

10.1.1 To review and approve the adequacy of Internal Audit Activities/Programs for the year.

10.1.2 To monitor, review and make recommendations to Management on the adequacy of the Group (which includes the NSE PLC subsidiaries)'s internal control and risk management systems through:

10.1.2.1 Evaluating whether senior management is setting the appropriate tone by communicating the importance of internal controls and risk management. Considering the way in which Management shall be held to account for computer systems and applications, the security of those items and contingency plans; and.

10.1.2.2 Gaining an understanding and providing oversight on implementation of control improvement recommendations made by internal external auditors and any other assurance providers.

10.1.3 To review the Annual Financial Statements, significant accounting and reporting issues and the audit findings, including any significant suggestions for improvements provided to Management through:

10.1.3.1 Reviewing significant accounting and reporting issues including recent professional and regulatory pronouncements, and understand their impact on financial statements; and

10.1.3.2 Reviewing the results of internal audits work.

10.1.4 To review the process Management uses to prepare interim financial statements through:

10.1.4.1 Ascertaining how Management develops and summarizes interim and preliminary results information, and the extent of internal and external audit involvement in the review of such information; and

10.1.4.2 Obtaining from Management and the auditors a report as to whether generally accepted accounting principles have been consistently applied, and whether the preliminary announcements and interim financial statements contain adequate and appropriate disclosures.

10.1.5 To ensure that the interests of all stakeholders are properly protected in relation to financial reporting and internal controls;

10.1.6 To monitor the integrity of the Financial Statements of the Group, including its annual and interim reports, financial performance, reviewing significant financial reporting issues and judgments including management overrides. To review and challenge where necessary:

10.1.6.1 The consistency of, and any changes to, accounting policies both on annual basis and across the Group;

10.1.6.2 Whether the Company has followed appropriate accounting and international financial reporting standards (IFRS) and made appropriate estimates and judgments, taking into account the views of the external auditor;

10.1.6.3 Significant adjustments resulting from the audit;

10.1.6.4 The going concern assessment;

10.1.6.5 The clarity and completeness of disclosure in the Group's financial reports and the context in which statements are made;

10.1.6.6 All material information presented in the Financial Statements, such as the operating and financial controls review, insofar as it relates to the audit; and

10.1.6.7 Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Group, it shall report its views to the Board.

10.1.7 Where requested by the Board, review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;

10.1.8 Review the Annual Financial Statements of the joint NSE and CDSC pension fund where not reviewed by the Board as a whole;

10.1.9 Oversee the process of procuring External Audit services (in accordance with the Procurement Manual and also Internal Audit Charter, as appropriate) and also provide oversight in the process of separation with any external auditor, for whatever reason;

10.1.10 Managing the process of recruiting the Chief Internal Auditor, including but not limited to conducting interviews for candidates shortlisted for the position of Chief Internal Auditor (and if deemed necessary, any other senior or critical internal audit role at the organization) and making recommendations for appointment;

9.1.9 Handle all matters as appropriate with regard to or delegated by the Board in relation to Audit.

10.2 Risk Management Functions

The Committee shall:

10.2.1 Ensure that Management develops a comprehensive risk management program;

10.2.2 Review the Company's risk management infrastructure and control systems to ensure their adequacy to enforce the Company's risk policies;

10.2.3 Review Management's determination of what constitute key balance sheet and off-balance sheet risks;

10.2.4 Ensure that risk measurement/management function is independent of any line business function;

10.2.5 Review and recommend to the Board for approval of risk policies, measurements and rating methodologies to be reported to regulators;

10.2.6 Review assumptions used in risk measurement models and ensure that model risk issues have been properly considered;

10.2.7 Make recommendations to the Board regarding the NSE's risk appetite/tolerance for approval;

10.2.8 Review reports concerning Risk Management that is to be included in the NSE's Annual Financial Statements and/or Integrated Report and ensure that it is timely, comprehensive and relevant;

10.2.9 Ensure that Management develops a comprehensive Business Continuity Management (BCM) program;

10.2.10 Review the level of delegated authority for various Management committees;

10.2.11 Conduct specific Risk Reviews including:

10.2.11.1 Regularly reviewing summary risk data and comparing data to adopted risk policies from Management;

10.2.11.2 Regularly reviewing management performance against various risk policies and parameters;

10.2.11.3 Reviewing exposures to major stakeholders and economic sectors;

10.2.11.4 Reviewing risk exposures to NSE's products, projects, systems and processes;

10.2.11.5 Reviewing reports on compliance risks; and

10.2.11.6 Oversight of sustainability matters and environmental, social and governance risks.

10.2.12 Handle all matters as appropriate with regard to or delegated by the Board in relation to
Risk Management.

10.3 Compliance Functions

The Committee's functions in this regard are:

10.3.1 To monitor, review and make recommendations to Management on the process for monitoring compliance with relevant laws, regulations, internal policies and best practice standards and, with the Company's legal counsel if appropriate, any legal/statutory matters that could have a significant impact on the Company's operations through:

10.3.1.1 Reviewing systems for monitoring compliance with laws and regulations
and initiating investigations and follow-up of any fraudulent acts or accounting irregularities;

10.3.1.2 Obtaining regular updates from Management regarding compliance;

10.3.1.3 Assessing whether all regulatory compliance matters have been considered in the preparation of financial statements;

10.3.1.4 Reviewing the findings of any examinations by regulatory agencies; and

10.3.1.5 Reviewing the nature, role, responsibility and authority of the Compliance
management functions within NSE.

10.3.2 To monitor, review and make recommendations to Management on the process for monitoring compliance with any internal and external code of conduct through:

10.3.2.1 Evaluating whether there is an appropriate "tone at the top" and whether
the Board emphasizes the importance of the code of conduct;

10.3.2.2 Reviewing the programme for monitoring compliance with applicable
codes of conduct; and

10.3.2.3 Periodically obtaining updates from Management regarding compliance.

10.3.3 To review and make recommendation to the Board for approval of changes in the internal risk and compliance policies or where a new policy needs to be in place.

Handle matters of Governance and compliance with Governance Codes and best practices; and

10.3.4 Handle all matters as appropriate with regard to or delegated by the Board in relation to Compliance.

11. Confidentiality

11.1 All deliberations of the Committee, and all records, material and information pertaining to NSE or its subsidiaries obtained by any member of any Committee shall be considered confidential.

11.2 Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

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FINANCE & STRATEGY COMMITTEE TOR's

PROPOSED TERMS OF REFERENCE FOR THE NAIROBI SECURITIES EXCHANGE PLC BOARD FINANCE AND STRATEGY COMMITTEE

VERSION 13TH AUGUST 2021

FINANCE AND STRATEGY COMMITTEE

Reference to “the Committee” shall mean the Board Finance and Strategy Committee, whereas reference to “the Board” shall mean the Nairobi Securities Exchange PLC (NSE) Board of Directors.

1. Mandate

1.1 The Committee has been established to oversee the implementation of the NSE Strategy (as per the prevailing Strategic Plan in place) and strategic business development initiatives of the NSE (including training) and to deal with all matters relating to the prudent financial management of the organization (the Group, which includes NSE PLC subsidiaries), including reviewing and advising on the financial statements and management accounts.

1.2 The Committee evaluates and advises on potential investment opportunities.

1.3 the Committee will oversee the procurement at the NSE to ensure compliance with the Procurement manuals and procedures.

1.4 The Committee will provide oversight in respect of admission of companies into the Ibuka Program and the consultants and advisors that guide entities hosted on the Ibuka Program

1.5 In addition, the Committee will provide oversight on the operations of the Unquoted Scripts Platform (USP), ran by the NSE LLP.

2. Composition and attendance

2.1 The Committee shall consist of at least four (4) Board members with at least two (2) members having recent and relevant expertise in finance and/or business strategy/investment matters.

2.2 The Board shall appoint the Committee Chairperson.

2.3 In the absence of the Committee Chairperson at a meeting, the members present shall elect one amongst themselves to chair the meeting.

2.4 The Committee Chairperson may invite relevant external expert resources to attend Committee meetings, if need be, subject to the agreement of the members of the Committee.

2.5 The Chief Executive shall be in attendance at the meeting and may require the Chief Officer Business Officer, Business Development or other designated representative of the Business Development Department, the Company Secretary and Chief Legal Officer or other designated representative from the Legal and Corporate Affairs Division, the Chief Finance Officer or other designated representative of the Finance and Administration Division and the Chief Officer – Strategy, Risk & Compliance, Strategy, Risk & Compliance or other designated representative of the Risk, Compliance & Strategy Department, to be in attendance as deemed necessary. Any other relevant member(s) of NSE Management may attend upon invitation as and when required.

2.6 Subject to review by the Board, the term of appointment of the members of the Committee shall be for a period of one (1) year each, which will be automatically renewed in subsequent years for one (1) year periods, unless the Board determines otherwise. Notwithstanding the foregoing, the membership of any member shall automatically terminate in the event that the member ceases to be Director of the Company or as and when the Board so determines.

2.7 The Committee may establish sub-committees as appropriate to deal with specific matters, as per Terms of Reference to be stipulated by the Committee.

3. Secretary

Unless determined otherwise, the Company Secretary and Chief Legal Officer shall be the Secretary of the Committee.

4. Quorum

4.1 The quorum necessary for the transaction of business shall be three (3) members.

4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Conflict of Interest

5.1 Matters of Conflict of Interest will be dealt with in accordance with the relevant provisions in the Board Charter with regard to Disclosure and Conflict of Interests.

5.2 At each Committee meeting, each member will sign the Conflicts Register and if a member so has a matter in the agenda for the meeting that they have an interest in, such member will disclose such interest after which the Disclosure and Conflict of Interests provisions in the Board Charter will come into play.

5.3 Any conflicts noted will be minuted accordingly.

6. Frequency of Meetings

6.1 The Committee shall meet at least (4) four times in each year, unless otherwise determined by the
Committee.

6.2 Special meetings of the Committee may be convened as and when there is urgent business that requires deliberation by the Committee.

7. Notice and format of Meetings

7.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Committee Chairperson.

7.2 Unless otherwise agreed, notice of each meeting confirming the venue (depending on the format of the meeting – pursuant to Section 7.3 herein), time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, no later than ten (10) days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at least five (5) days before the date of the meeting.

7.3 The Committee may hold its meetings either in person, or using electronic means (virtual) or by hybrid means (a combination of in-person and virtual).

8. Conduct of Meetings

8.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

8.2 Minutes of Committee meetings shall be circulated to the Committee Chairperson within twenty one (21) days of the Committee meeting, for review.

8.3 Decisions of the Committee shall be by consensus and where such consensus cannot be reached, a vote shall be taken to determine the matter.

9. Authority, Resources and Approvals

9.1 The Committee has authority and power that include:

9.1.1 Powers requiring the presence of any member of NSE Management of the Company or other employee at the Committee meeting or other venue (the Chief Executive to be notified unless there is investigatory conflict); and

9.1.2 Access to sufficient resources in order to carry out its duties.

9.2 In addition to approvals given in a physically/virtually convened meeting, the Committee may approve any matters by circular resolution or e-mail circulation or other electronic means.

10. Scope of Responsibility

10.1 Strategy Function

The Committee shall:

10.1.1 Oversee and monitor the formulation and implementation of the NSE Strategy and business plans and facilitate periodic review as appropriate;

10.1.2 Review strategic, annual and short term financial plans and table proposals for action at the Board meetings for deliberation;

10.1.3 Review strategic initiatives, products and programs which it may consider of critical importance to business development and recommend to the Board for approval;

10.1.4 Identify and make recommendations on market capacity building necessary for market development;

10.1.5 Handle all matters as appropriate and or delegated by the Board in relation to the NSE Strategy.

10.2 Finance and Administration Functions

The Committee shall:

10.2.1 Monitor in-year financial performance of the Group and consider actions that the Board should take to ensure year-end financial targets are achieved;

10.2.2 Ensure that the Group has appropriate financial objectives and robust strategy for delivering them;

10.2.3 Review and recommend to the Board for approval the operating and capital expenditure where such expenditure is above the approved limit;

10.2.4 Review the economy, efficiency and effectiveness of operations including non-financial controls of the Exchange and make recommendations to the Board;

10.2.5 Evaluate the efficacy of the NSE Financial Procedures Manual and policies including its policy on insurance of assets and use of funds;

10.2.6 Review the procedure for submission to the Board of the operational and capital budgets of the Group and any supplementary changes thereto;

10.2.7 Approve tenders for procurement of goods and services whose value is at the threshold required for Board approval and monitor procurement at the NSE;

10.2.8 Review and report to the Board on investment strategies and of potential investments opportunities and performance of all the company's assets investments;

10.2.9 When requested by the Board, review and report on the status and future outlook of existing investments held by NSE from time to time. Such reviews should include use of approved corporate business plan metrics;

10.2.10 Oversee the administration of property matters of the NSE including optimization of use of office space at NSE premises and any property acquisitions and use; and

10.2.11 Handle all matters as appropriate and or delegated by the Board in relation to finance and administration.

10.3 Ibuka Functions

The Committee shall

10.3.1 Consider and as appropriate approve the companies to be hosted on the NSE Ibuka Program;

10.3.2 Review and recommend to the Board for approval the de-hosting of any Ibuka hostee company; and

10.3.3 Handle all matters as appropriate and or delegated by the Board in relation to the Ibuka Program.

10.4 USP Oversight functions

10.4.1 Review reports on the strategic and financial aspects of the USP;

10.4.2 Recommend any policy and operational matters, in respect of the USP operations, as appropriate for approval to the Board; and

10.4.3 Handle all matters as appropriate and or delegated by the Board in relation to the USP.

11. Confidentiality

11.1 All deliberations of the Committee, and all records, material and information pertaining to NSE or its subsidiaries obtained by any member of any Committee shall be considered confidential.

11.2 Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

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REMUNERATION, NOMINATING AND HUMAN CAPITAL COMMITTEE TOR's

PROPOSED REVISED TERMS OF REFERENCE FOR THE NAIROBI SECURITIES EXCHANGE PLC BOARD REMUNERATION, NOMINATING AND HUMAN CAPITAL COMMITTEE

VERSION 10TH AUGUST 2021

CONFIDENTIAL

REMUNERATION, NOMINATING AND HUMAN CAPITAL COMMITTEE

Reference to “the Committee” shall mean the Board Remuneration, Nominating and Human Capital Committee; whereas reference to “the Board” shall mean the Nairobi Securities Exchange PLC (NSE) Board of Directors.

1. Mandate

The Committee is established to advise and assist the Board in effective discharge of its responsibilities in relation to the composition of the Board and its remuneration, and to establish a plan of continuity for the Chief Executive as appropriate. The Committee also advises, implements and assists the Board in effective discharge of its responsibilities in relation to Human Capital Management.

2. Composition and attendance

2.1 The Committee shall consist of at least three (3) Board members with at least one (1) member having recent and relevant Human Resources expertise.
2.2 The Board shall appoint the Committee Chairperson.
2.3 In the absence of the Committee Chairperson at a meeting, the members present shall elect one amongst themselves to chair the meeting.
2.4 The Chief Executive shall be in attendance and will authorize the Chief Officer Human Resources and Administration or designate to attend as appropriate. Any other relevant member(s) of NSE Management may attend upon invitation as and when required.
2.5 The Committee may invite relevant external expert resources to attend Committee meetings, if need be.
2.6 Subject to review by the Board, the term of appointment of the members of the Committee shall be for a period of one (1) year each, which will be automatically renewed in subsequent years for one (1) year periods, unless the Board determines otherwise. Notwithstanding the foregoing, the membership of any member shall automatically terminate in the event that the member ceases to be a Director of the Company or if the Board so determines.
2.7 The Committee may establish sub-committees as appropriate to deal with specific matters, as per Terms of Reference to be stipulated by the Committee.

3. Secretary

The Company Secretary and Chief Legal Officer shall be the Secretary of the Committee.

4. Quorum

4.1 The quorum necessary for the transaction of business shall be two (2) Directors.
4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Conflict of Interest

5.1 Matters of Conflict of Interest will be dealt with in accordance with the relevant provisions in the
Board Charter with regard to Disclosure and Conflict of Interests.

5.2 At each Committee meeting, each member will sign the Conflicts Register and if a member so has a matter in the agenda for the meeting that they have an interest in, such member will disclose such interest after which the Disclosure and Conflict of Interests provisions in the Board Charter will come into play.

6. Frequency of Meetings

6.1 The Committee shall meet at least four (4) times in each year, unless otherwise determined by the Committee.

6.2 Special meetings of the Committee may be convened as and when there is urgent business that requires deliberation by the Committee.

7. Notice of Meetings

7.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairperson of the Committee.

7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, not later than ten (10) days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at least five (5) days before the date of the meeting.

7.3 The Committee may hold its meetings either in person, or using electronic means (virtual) or by hybrid means (a combination of in-person and virtual).

8. Minutes of Meetings

8.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

8.2 Minutes of Committee meetings shall be circulated to all members of the Committee within twenty one (21) days of the Committee meeting.

8.3 Decisions of the Committee shall be by consensus and where such consensus cannot be reached, a vote shall be taken to determine the matter.

8.4 The Decisions of the Committee shall be signed by the Committee Chairperson.

9. Authority, Resources and Approvals

9.1 The Committee has authority and power that include:-

9.1.1 Access to the Chief Officer – Human Resources and Administration, lawyers and other agent of the Company without necessarily going through the hierarchy (though the hierarchy should be respected unless there are compelling reasons to avoid it);

9.1.2 Authority to conduct, any investigations within its area of responsibility; including having the right to hire independent experts for such investigations, approve terms of such engagements and having such investigations paid for by the Company;

9.1.3 Having the right to investigate any employee complaints *(whistle-blowing)* related to Human Resources reporting matters;

9.1.4 Access to sufficient resources in order to carry out its duties including access to staff for assistance as required; and

9.1.5 Having the right to recommend hiring of outside resources which include among others compensatory consultants, counsel etc. as needed, and any other consultant or specialized service relating to Human Capital Management.

9.2 In addition to approvals given in a physically convened meeting, the Committee may approve any matters by circular resolution or e-mail circulation or other electronic means.

10. Scope of Responsibility

10.1 Remuneration and Nomination functions

The Committee shall:

10.1.1 Receive, evaluate and recommend candidates to the Board for appointment as directors in accordance with the Board Charter;

10.1.2 Nominate and recommend members to the proposed Board Committees;

10.1.3 Develop and consistently review the Board Succession Planning Strategy including that of the Chairman and Chief Executive;

10.1.4 Review and recommend to the Board the remuneration of the Board in line with best practice;

10.1.5 Identify and recommend capacity building Nominate and recommend members to the proposed Board Committees.

10.1.6 Review and recommend to the Board the remuneration of the Board in line with best practice.

10.1.7 Come up with capacity building programmes aimed at developing skills and competencies of Board members.

10.1.8 Handle all matters as appropriate and or delegated by the Board in relation to the Board and senior management.

10.2 Human Capital Functions

The Committee shall:

10.2.1 Advise and assist the Board in effective discharge of its responsibilities in relation to Human Capital Management;

10.2.2 Recommend the appointment of executive management while approving the terms and conditions of the appointments and termination or retirement;

10.2.3 Ensure that appropriate mechanisms are in place regarding succession planning for the position of Chief Executive;

10.2.4 Review the organizational structure and the management succession plan and recommend to the Board for approval;

10.2.5 Review and approve the annual talent strategy and plan, workforce plan, goals and objectives, and progress report indicators and report to the Board on potential risks or gaps in resources;

10.2.6 Monitor the executive management's performance assessment, succession planning and compensation;

10.2.7 Review and make recommendations to the Board for approval on changes to the company's compensation structures;

10.2.8 Review and where appropriate recommend to the Board the approval of significant changes in the Human Resources Policies and Procedures; Responsible for handling as appropriate staff disciplinary matters relating to executive management;

10.2.9 Act as an appeals body for disciplinary matters relating to staff;

10.2.10 Be subject to the right and power of the Board to review, vary, approve, ratify or supplement its decisions and

10.2.11 Handle all matters as appropriate and or delegated by the Board in relation to Human Capital.

11. Confidentiality

11.1 All deliberations of the Committee, and all records, material and information pertaining to NSE
or its subsidiaries obtained by any member of any Committee shall be considered confidential.

11.2 Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

----END---

SELF-REGULATORY ORGANIZATION AND LISTING COMMITTEE TOR's

TERMS OF REFERENCE FOR THE NAIROBI SECURITIES EXCHANGE PLC SELF-REGULATORY ORGANIZATION AND LISTING COMMITTEE

APPROVED BY SROLC ON 5TH AUGUST 2021

SELF-REGULATORY ORGANIZATION AND LISTING COMMITTEE

Reference to “the Committee” shall mean the Board Self-Regulatory Organization and Listing Committee (SROLC); whereas reference to “the Board” shall mean the Nairobi Securities Exchange PLC (NSE) Board of Directors.

2. Mandate

1.1. The Committee is established to enforce the NSE Market Participants Business Conduct and Enforcement Rules, 2014, the Listing Rules, Continuous Listing Obligations Regulations, the Derivatives Rules, the NSE Trading Rules and any other Regulations or Rules of the NSE as are in force, as may be necessary for the maintenance of a fair and orderly market.

1.2. The Committee will also assist the Board in effective discharge of its responsibilities in relation to listing of securities on various NSE market segments and the admission of Market Participants on the Securities market and the NSE Derivatives Market.

1.3. For purposes of these Terms of Reference, the term ‘Market Participants’ refers to Trading Participants, market makers, liquidity providers, custodians for the Derivatives Market and other capital market support service providers.

3. Composition and attendance

2.1 The Committee shall consist of not less than four (4) members, with at least three of the members being Independent Non-Executive Directors of the NSE Board.

2.2 The NSE Board shall appoint the Committee Chair.

2.3 In the absence of the Committee Chairperson at a meeting, the members present shall elect one (being an Independent Non-Executive Director) amongst themselves to chair the meeting.

2.4 The NSE Chief Executive shall be in attendance as shall the Chief Officer, Regulatory Affairs or other designated representative of the Regulatory Affairs Division. Any other relevant members of NSE Management may attend upon invitation as and when required.

2.5 The Committee may invite relevant external expert resources to attend Committee meetings, if need be.

2.6 Subject to review by the Board, the term of appointment of the members of the Committee shall be for a period of one (1) year each, which will be automatically renewed in subsequent years for one (1) year periods, unless the Board determines otherwise. Notwithstanding the foregoing, the membership of any member shall automatically terminate in the event that the member ceases to be a Director of the Company or if the Board so determines.

2.7 The Committee may establish sub-committees as appropriate to deal with specific matters, as per Terms of Reference to be stipulated by the Committee.

4. Secretary

Unless otherwise determined by the Committee, the Chief Officer, Regulatory Affairs shall be the Secretary to this Committee.

5. Quorum

4.1 The quorum necessary for the transaction of business shall be three (3) members, two of whom shall be Independent Non-Executive Directors.

4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

6. Frequency of Meetings

5.1 The Committee shall meet at least (4) four times in each year, unless otherwise determined by the
Committee.

5.2 Special meetings of the Committee may be convened as and when there is urgent business that requires deliberation by the Committee.

7. Conflict of Interest

6.1 Matters of Conflict of Interest will be dealt with in accordance with the relevant provisions in the
Board Charter with regard to Disclosure and Conflict of Interests.

6.2 At each Committee meeting, each member will sign the Conflicts Register and if a member so has a matter in the agenda for the meeting that they have an interest in, such member will disclose such interest after which the Disclosure and Conflict of Interests provisions in the Board Charter will come into play.

6.3 Any declarations and conflicts of interest disclosed/noted will be minuted accordingly.

8. Notice and format of Meetings

7.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Committee Chairperson.

7.2 Unless otherwise agreed, notice of each meeting confirming the venue (depending on the format of the meeting – pursuant to Section 7.3 herein), time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, no later than ten (10) days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at least five (5) days before the date of the meeting.

7.3 The Committee may hold its meetings either in person, or using electronic means (virtual) or by hybrid means (a combination of in-person and virtual).

9. Conduct of Meetings

8.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording of the names of those present and in attendance.
8.2 Minutes of Committee meetings shall be circulated to all members of the Committee within twenty one (21) days of the Committee meeting.
8.3 Decisions of the Committee shall be by consensus and where such consensus cannot be reached, a vote shall be taken to determine the matter.
8.4 The Decisions of the Committee shall be signed by the Committee Chairperson.
8.5 A decision of the Committee made pursuant to the NSE Rules shall be final and binding on a Market Participant or a listed company to which it relates subject to the right to appeal under the relevant Rules.
8.6 The Committee shall prepare a report to the Board on all disciplinary and compliance matters handled and any sanctions levied at every next scheduled meeting of the Board.

10. Authority, Resources and Approvals

The Committee has authority and power as follows:

9.1 The Committee shall have the power to enforce the NSE Market Participants Business Conduct and Enforcement Rules 2014, the Listing Rules, the Derivatives Rules, Trading Rules and any other Rules of the NSE as may be necessary for the maintenance of a fair and orderly market and to exercise all powers and authority as may be delegated from time to time to the NSE Self-Regulatory Organization (SRO) by the Capital Markets Authority.
9.2 Any power that shall be exercised by the Board pursuant to the various NSE Rules may also be exercised the Committee, as far as is permissible by law.
9.3 The Committee shall conduct the regulatory, compliance, listings and admissions functions of the NSE as a Self-Regulatory Organization, relating to listed companies and Market Participants on behalf of the Board.
9.4 In addition to approvals given in a physically convened meeting, the Committee may approve any matters by circular resolution or e-mail circulation or other electronic means.
9.5 Access to the Chief Officer, Regulatory Affairs or designate, Chief Business Officer or designate, lawyers and other agents of NSE PLC without necessarily going through the hierarchy (though the hierarchy should be respected unless there are compelling reasons to avoid it).
9.6 Authority to conduct, any investigations within its area of responsibility; including having the right to hire independent experts for such investigations, approve terms of such engagements and having such investigations paid for by NSE PLC.
9.7 Access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.

11. Scope of Responsibility

10.1 Regulatory and compliance Function

The Committee shall:

10.1.1 Prescribe from time to time the rules with which a Market Participant or a listed company shall comply;

10.1.2 Prescribe from time to time the rules under which disciplinary powers may be exercised;

10.1.3 Prescribe the circumstances under which a Market Participant shall or may be suspended or terminated;

10.1.4 Recommend for approval by the Board the suspension of a Market Participant or listed company
(and or its shares) from participation in the market on such terms and such period as the Committee sees fit;

10.1.5 Recommend for approval by the Board the placing of a listed company on the Recovery Board to allow the listed company regularize any non-compliance matters;

10.1.6 Recommend for approval by the Board the mandatory delisting of listed companies for non-compliance with the continuing listing obligations;

10.1.7 Censure a Market Participant or listed company;

10.1.8 Impose a fine on a Market Participant or listed company;

10.1.9 Request Market Participants or listed companies and their respective employees to produce their books and records for inspection at the direction of the Committee;

10.1.10 Delegate at any time and from time to time all or any of its powers to a Sub-Committee of itself and/or the Chief Executive and/or any member(s) of the staff of NSE PLC, subject to such requirements, directions or regulations as it may think fit;

10.1.11 Handle all matters as appropriate and or delegated by the Board in relation to regulating Market Participants and listed companies;

10.2 Listing and Admissions Function

The Committee shall:

10.1.1 Review and recommend to the Board approval of applications for admission to listing of new securities in any of the market segments;

10.1.2 Review and recommend to the Board approval of applications for admission of all Market Participants at NSE PLC;

10.1.3 Review and recommend to the Board approval of Market Makers and Liquidity Providers including Support Service Providers;

10.1.4 Review the procedure for admission of securities to listing and make recommendations for amendment to these rules pursuant to the procedures provided under the rules of the Exchange;

10.1.5 Identify impediments to listing of securities at the Exchange and make recommendations of ways and measures to address such impediments;

10.1.6 Be subject to the right and power of the Board to review, vary, approve, ratify or supplement its decisions; and

10.1.7 Handle all matters as appropriate and or delegated by the Board in relation to listing of companies and securities and admission of Market Participants in both the Securities market and also Derivatives market.

12. Confidentiality

11.1 All deliberations of the Committee, and all records, material and information pertaining to NSE PLC or its subsidiaries obtained by any member of any Committee shall be considered confidential. Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

11.2 All deliberations of the Committee, and all records, material and information pertaining to NSE PLC or its subsidiaries obtained by any member of any Committee shall be considered confidential.

13. Transitional provision

The SROLC merges the functions of the hitherto named Listing and Admissions Committee and the Self-Regulatory Organization Committee and the decisions made by the two former committees in respect to the subject matter covered by these Terms of Reference, are deemed to have been made by the SROLC.

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TRADING, TECHNOLOGY AND INNOVATION COMMITTEE TOR's

UPDATED TERMS OF REFERENCE FOR THE NAIROBI SECURITIES EXCHANGE PLC BOARD TRADING AND TECHNOLOGY COMMITTEE

9TH JUNE 2021

CONFIDENTIAL

TRADING AND TECHNOLOGY COMMITTEE

Reference to “the Committee” shall mean the Board Trading and Technology Committee, whereas reference to “the Board” shall mean the Nairobi Securities Exchange PLC (NSE) Board of Directors.

1. Mandate

1.1 The Committee is established to advise on trading of securities and the enforcement of the relevant NSE Trading Rules and the advancement and enhancement of information on the securities exchange to listed companies and the general public.

1.2 The Committee will also be an advisor to the Board on current and future information technology of the NSE.

1.3 The Committee will assist the Board in overseeing the organizations strategic direction and investment in technology and ensuring that related policies, projects and investment criteria are aligned with the organization’s broader strategic goals and priorities.

1.4 The Committee shall be responsible for monitoring the state of technology capabilities within NSE and identifying the associated risks and opportunities that could have significant impact in the organization’s operations.

1.5 The Committee shall further assist the Board in providing effective oversight of NSE’s technology systems, projects, security and performance.

2. Composition and attendance

2.1 The Committee shall consist of not less than three (3) Board members and up to five (5) external subject matter experts in the field of Technology and Information Security, Bonds/Fixed Income Trading, Custody Management, Fund Management and Capital Markets Brokerage. At least one (1) of the Board members should have recent and relevant expertise in matters of Trading, Technology and Information Security.

2.2 The Board shall appoint the Committee Chairperson.

2.3 In the absence of the Committee Chairperson at a meeting, the members present shall elect one amongst themselves to chair the meeting. The elected Chairperson shall be a member of the Board.

2.4 The Committee Chairperson may invite relevant external expert resources to attend Committee meetings, if need be, subject to the agreement of the members of the Committee.

2.5 The Chief Executive and the Chief Operating Officer or other designated representative of the Operations and Technology Division shall be in attendance. Any other relevant member(s) of the NSE Management may attend by invitation as and when required.

2.6 Subject to review by the Board, the term of appointment of the members of the Committee shall be for a period of one (1) year each, which will be automatically renewed in subsequent years for one (1) year periods, unless the Board determines otherwise. Notwithstanding the foregoing, the membership of any member shall automatically terminate in the event that the member ceases to be a Director of the Company or in the case of a non-Board members (external experts), if the Board so determines or such member resigns from the Committee in writing.

2.7 The Committee may establish sub-committees as appropriate to deal with specific matters, as per Terms of Reference to be stipulated by the Committee.

3. Secretary

The Committee shall appoint the Secretary of this Committee.

4. Quorum

4.1 The quorum necessary for the transaction of business shall be five (5) made up as two (2) Directors and at least three (3) external experts.
4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Conflict of Interest

5.1 Matters of Conflict of Interest will be dealt with in accordance with the relevant provisions in the Board Charter with regard to Disclosure and Conflict of Interests.
5.2 At each Committee meeting, each member will sign the Conflicts Register and if a member so has a matter in the agenda for the meeting that they have an interest in, such member will disclose such interest after which the Disclosure and Conflict of Interests provisions in the Board Charter will come into play.
5.3 Any conflicts noted will be minuted accordingly.

6. Frequency of Meetings

6.1 The Committee shall meet at least (4) four times in each year, unless otherwise determined by the Committee.
6.2 Special meetings of the Committee may be convened as and when there is urgent business that requires deliberation by the Committee.

7. Notice of Meetings

7.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairperson of the Committee.
7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, no later than ten (10) days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at least five (5) days before the date of the meeting.

8. Minutes of Meetings

8.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

8.2 Minutes of Committee meetings shall be circulated to all members of the Committee within twenty one (21) days of the Committee meeting.

9. Authority, Resources and Approvals

The Committee has authority and powers that include:

9.1 Access to the lawyers and all other agents of the Company when necessary, and without necessarily going through the hierarchy (the Chief Executive to be notified as appropriate).
9.2 Authority to conduct, any investigations within its area of responsibility; including having the right to hire independent experts for such investigations, approve terms of such engagements and having such investigations procured and paid for by the Company through the approved procurement procedures.
9.3 Access to sufficient resources in order to carry out its duties, including access to the Company Secretary and Chief Legal Officer and all necessary information as required.
9.4 Exercise such powers as are explicitly attributed or delegated to it by the Board and shall not exercise powers beyond those exercisable by the Board as a whole.
9.5 In addition to approvals given in a physically convened meeting, the Committee may approve any matters by circular resolution or e-mail circulation or other electronic means.

10. Scope of Responsibility

Subject to powers and duties of the Board, the Committee shall be responsible for the specific duties outlined in this Terms of Reference:

10.1 Trading Functions

The Committee shall:

10.1.1 Recommend additions and alterations to the trading, delivery and settlement procedures, rules and regulations of NSE which will be recommended to the Board for deliberation and ratification before being presented to the Capital Markets Authority for approval as required by law;
10.1.2 Oversee the implementation of the relevant rules and regulations to ensure that fair transparent and efficient trading practices are in place;
10.1.3 Receive, review and make recommendations on new market indices and proposed amendments to existing indices;
10.1.4 Arbitrate in any trading, delivery and settlement disputes;
10.1.5 Refer any market participant disciplinary cases to the Self-Regulatory Organization (SRO) Committee for further action;
10.1.6 Increase the depth and width of securities and investors for the benefit of all market players;
10.1.7 To the best of its ability, remain current in, and keep the Market Participants informed of, changes in networking technology and the development of new networking technology, products, applications, software and services relevant to the operation of the securities market; and

10.1.8 Handle all matters as appropriate or as delegated by the Board in relation to the trading and settlement of securities.

10.2 Technology Strategy

The Committee shall:

10.2.1 Oversee the development of an institutional Technology Strategic Plan (“Plan”) to help support achievement of NSE long term vision and strategic goals; ensure the Plan aligns with the overall strategic and financial priorities; recommend approval by the Board;

10.2.2 Regularly review the organizations technology strategy and approach and recommend changes to the Plan as appropriate;

10.2.3 Monitor emerging technology trends, issues, risks and opportunities that could significantly impact the organization and/or the post-secondary environment in which the organization operates; ensure emerging issues have been appropriately considered in the Plan;

10.2.4 Specifically consider the following issues as part of the oversight of NSE’s technology strategy:

- 10.2.4.1 Competitive and/or disruptive innovation risk;
- 10.2.4.2 Stakeholder engagement and satisfaction;
- 10.2.4.3 Organizational effectiveness/efficiency opportunities, such as cloud computing, business process/workflow automation, data analytics, and other tools to enhance information for decision making; and
- 10.2.4.4 Cyber security and data privacy protection.

10.2.5 Oversee execution of the Plan, review timely reports from Management regarding progress against strategic technology priorities and provide advice and direction as appropriate.

10.3 Technology Priorities and initiatives

The Committee shall:

10.3.1 Review NSE’s technology investment framework, including investment criteria and prioritization methodology; provide recommendations to the board as appropriate;

10.3.2 Review and assess significant technology proposals (charters) against the required investment criteria and ensure proposed initiatives as follows:

- 10.3.2.1 Align with the NSE’s strategic priorities;
- 10.3.2.2 Provide an appropriate return on investment; and
- 10.3.2.3 Adequately identify and address related risks.

10.3.3 For projects greater than US$100,000, to recommend approval by the Board separately from the annual budget process.

10.3.4 Monitor implementation of significant technology projects and initiatives; receive reports from management regarding progress, issues, and costs.

10.4 Performance Monitoring and Assessment

The Committee will:

10.4.1 Regularly monitor Information Technology (IT) performance; review relevant IT performance metrics and benchmark to other organizations as appropriate;

10.4.2 Receive and review reports regarding significant technology related issues and/or incidents; provide advice and recommendations as required;

10.4.3 Assess NSE's technology capabilities and resources, including the effectiveness and efficiencies of existing IT systems; and

10.4.4 Review the annual operating and capital technology budgets; ensure the budget appropriately reflects NSE's technology needs.

10.5 Technology Risk Management

The Committee shall:

10.5.1 Review the organization's systems and processes to identify, monitor, and manage material technology related risks; ensure the organization has appropriate:

10.5.1.1 Governance processes for effective oversight and escalation of issues; 10.5.1.2 Expertise for identifying, assessing, and managing risk; and

10.5.1.3 Leadership and accountability for achieving outcomes.

10.5.2 Review risk management reports and provide relevant feedback/guidance as required;

assess the risk profile in light of the organization's risk appetite and tolerances; assess the effectiveness of risk mitigation strategies and activities;

10.5.3 Review and assess the adequacy of the organization's:

10.5.3.1 Cyber security policies and practices;

10.5.3.2 Disaster recovery planning; and

10.5.3.3 Technology project implementation capabilities

10.5.4 Commission the engagement of external consultants to periodically assess technology related risks and validate risk management effectiveness;

10.5.5 Ensure the Board is kept apprised of critical technology risk management issues in a timely manner; provide oversight for technology related Board education sessions; and

10.5.6 Review of all significant technology related policies; champion policy approval by the Board.

10.6 Other

The Committee will undertake any other matters with regard to Technology and Innovation that the Board may determine.

11. Confidentiality

11.1 All deliberations of the Committee, and all records, material and information pertaining to NSE or its subsidiaries obtained by any member of any Committee shall be considered confidential.

11.2 Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

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DERIVATIVES MARKET OVERSIGHT COMMITTEE TOR's

UPDATED TERMS OF REFERENCE FOR THE NAIROBI SECURITIES EXCHANGE PLC DERIVATIVES MARKET OVERSIGHT COMMITTEES

1ST NOVEMBER 2019

CONFIDENTIAL

DERIVATIVES MARKET OVERSIGHT COMMITTEE

Reference to “the Committee” shall mean the Board Derivatives Market Oversight Committee; whereas reference to “the Board” shall mean the Nairobi Securities Exchange PLC (NSE) Board of Directors”.

1. Mandate

The Derivatives Market Oversight Committee is an independent Committee of the Board that advises the Board on the oversight of, and strategic issues relating to the NSE’s Derivatives Market and the NSE Clear Limited (the Derivatives Clearing House) including addressing conflict of interest matters regarding futures brokers, issues arising in the design of derivatives contracts and undertaking trading and surveillance functions.

2. Composition and attendance

2.1 Subject to casual vacancies from time to time, the Committee shall consist of a minimum of five (5) individuals appointed by the Board, of whom:

2.1.1 One (1) shall be an Executive of NSE and/or NSE Clear Limited;
2.1.2 Two (2) Board Directors of NSE representing public interests; and
2.1.3 Two (2) individuals nominated by NSE.

2.2 The Chairperson of the Committee shall be appointed by the Board.
2.3 The persons to be nominated or appointed to the Committee should ideally have sufficient, recent and relevant knowledge of financial products, regional or international markets, risk, and regulatory and/or managerial expertise.
2.4 The Chief Executive shall be in attendance as shall the Chief Officer - Derivatives Market or other designated representative of the Derivatives Market Division. Any other relevant member(s) of the NSE Management may attend by invitation as and when required.
2.5 The Committee Chairperson shall ensure that the administration of the Committee is managed efficiently and effectively.
2.6 In the absence of the Committee Chairperson at a meeting, the members present shall elect one amongst themselves to chair the meeting.
2.7 Subject to review by the Board, the term of appointment of the members of the Committee shall be for a period of one (1) year each, which will be automatically renewed in subsequent years for one (1) year periods, unless the Board determines otherwise. Notwithstanding the foregoing, the membership of any member shall automatically in the case of NSE Board members when one ceases to be a Director or in the case of a non-Director member, if the Board so determines or the member resigns from the Committee in writing.
2.8 The Committee may establish sub-committees as appropriate to deal with specific matters, as per Terms of Reference to be stipulated by the Committee.

3. Secretary

The Secretary of the Committee shall be the Chief Officer - Derivatives Market or such other person that may be appointed by the Committee.

4. Quorum

The quorum necessary for the transaction of business shall be three (3) members, one of whom must be an NSE Board member. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Conflict of Interest

5.1 Matters of Conflict of Interest will be dealt with in accordance with the relevant provisions in the Board Charter with regard to Disclosure and Conflict of Interests.

5.2 At each Committee meeting, each member will sign the Conflicts Register and if a member so has a matter in the agenda for the meeting that they have an interest in, such member will disclose such interest after which the Disclosure and Conflict of Interests provisions in the Board Charter will come into play.

5.3 Any conflicts noted will be minuted accordingly.

6. Frequency of Meetings

The Committee shall meet at least (4) four times in each year, unless otherwise determined by the Committee.

7. Notice of Meetings

7.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairperson of the Committee.

7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, no later than ten (10) days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at least (5) days before the date of the meeting.

8. Minutes of Meetings

8.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording of the names of those present and in attendance.

8.2 Minutes of Committee meetings shall be circulated to all members of the Committee within twenty one (21) days of the Committee meeting.

9. Authority, Resources and Approvals

9.1 The Committee has authority and power that include:

9.1.1 Powers requiring the presence of any Executive Officer of the Company or other employee at the Committee meeting or other venue (the Chief Executive to be notified unless there is investigatory conflict); and

9.1.2 Access to sufficient resources in order to carry out its duties.

9.2 In addition to approvals given in a physically convened meeting, the Committee may approve any matters by circular resolution or e-mail circulation or other electronic means.

10. Scope of Responsibility

The Committee shall:

10.1 Foster creation and operation of a Derivatives Market that is fair and transparent;

10.2 Determine the appropriate policy response to the growing importance of derivatives in financial markets to achieve or maintain market stability, market symmetry and regulatory simplification, appropriate intermediary-client arrangements, retail participant protection, trading integrity;

10.3 Evaluate new products to ensure they are not susceptible to manipulation as well as rule filings by exchanges to ensure compliance with core principles;

10.4 Discuss, formulate and advise the board on international trends, the needs of intermediaries, issuers, investors and other market participants, technology challenges and new product opportunities relating to the NSE Derivatives Market;

10.5 Develop policy recommendations, strategic initiatives and advise on major investments in relation to the NSE Derivatives Market;

10.6 Evaluate new products to ensure they are not susceptible to manipulation as well as rule filings by exchanges to ensure compliance with core principles;

10.7 Consider such other topics and matters relating to the Derivatives Market as may be requested by the Board from time to time and to report back thereon;

10.8 Ensure cooperation between the NSE and Trading Members executing transactions on the Derivatives Market;

10.9 Develop proposals to enhance efficiency of the NSE's services on organization of trading in derivatives contracts on the NSE's Derivatives Market;

10.10 Preservation of healthy market order and creation of a secure market for investors by recommending preventative actions against unfair trading practices such as the manipulation of current values on the stock and futures markets;

10.11 Promote the adoption of appropriate risk management procedures;

10.12 Development and review of arbitration procedures and addressing any conflicts of interest in respect of:

10.12.1 the regulation of trading members or Futures brokers;

10.12.2 futures contracts' design; and

10.12.3 trading and surveillance functions.

10.13 Handle all matters as appropriate and or delegated by the Board in relation to the Derivatives Market.

11. Confidentiality

11.1 All deliberations of the Committee, and all records, material and information pertaining to NSE or its subsidiaries obtained by any member of any Committee shall be considered confidential.

11.2 Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

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