



## **NAIROBI SECURITIES EXCHANGE PLC**

### **REQUEST FOR PROPOSAL FOR PROVISION OF BOARD EVALUATION SERVICES**

**POSTAL ADDRESS:   NAIROBI SECURITIES EXCHANGE PLC  
P.O. BOX 43633 – 00100 GPO  
NAIROBI**

**PHYSICAL ADDRESS: THE EXCHANGE BUILDING  
55 WESTLANDS ROAD  
NAIROBI**

**CONTACT:           MR. KURIA WAITHAKA  
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cc: [procurement@nse.co.ke](mailto:procurement@nse.co.ke)**

## A. BACKGROUND

Nairobi Securities Exchange Plc (NSE) is a leading Securities and Derivatives Exchange in Africa with close to a seven decade heritage in the listing of equity and debt securities. It offers a world class trading facility for local and international investors and issuers looking to gain exposure to Kenya and Africa's economic growth.

NSE plays a vital role in the growth of Kenya's economy through mobilization of domestic resources and international capital to support company's access to growth and expansion capital. NSE operates under the jurisdiction of the Capital Markets Authority of Kenya. According to Section 7.1.1 (c) of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 ("**the Code**"), the Board of a listed company is required to disclose whether evaluation of the Board, the Chairperson, the Chief Executive Officer and Company Secretary has been undertaken in the annual report and financial statements of the company.

In addition Section 2.6.3 (f) of the Code requires the Board to focus on board evaluation as one of its key activities in its annual work-plan.

Further, the Code in Section 2.6.4 requires the Board to determine and agree on its annual evaluation toolkit (parameters) and that the Board shall work with independent governance specialists to develop the parameters to be included in the evaluation toolkit.

The NSE Plc Board also has a Board Charter, which provided for the carrying out of an annual Board evaluation.

Pursuant to the foregoing and also best corporate governance practices, the NSE Plc intends to conduct Board evaluation for the financial years 2021 and 2022 and is thus seeking to procure the said services from a recognized governance specialist/firm.

## B. SCOPE OF WORK

### 1) Objectives of the Evaluation

The objective of undertaking the Board evaluation exercise is to assess and evaluate how well the NSE Board has performed through benchmarking its performance against established best practice and provide a basis for reflection on how it has fulfilled those objectives. In addition, the evaluation should provide NSE Plc with a basis to integrate the evaluation with other services like director development programs and advice on the implementation of action plans emanating from the evaluation exercise.

### 2) Scope of the evaluation

The scope of the works will involve:

#### (a) NSE Plc:

- i) Evaluation of the NSE Plc Board;
- ii) Peer and Self Evaluation by Directors;
- iii) Evaluation of the Chairman of the Board;
- iv) Evaluation of the Chief Executive Officer;
- v) Evaluation of the Company Secretary;
- vi) Evaluation of Committee Chairpersons; and
- vii) Evaluation of Board Committees.

#### (b) NSE Clear Limited:

The evaluation will be also cover the Board of the NSE Clear Limited, a wholly owned subsidiary of the NSE Plc (and by extension the NSE Derivatives Settlement Guarantee Fund and NSE Investor Protection Fund, two fidelity funds, which both share membership with the NSE Clear Limited Board).

### 3) **Timeframe and Reporting**

The work is expected to commence by the end of May 2023 and to be completed by July 2023. The evaluation is to cover the financial years 2021 and 2022, but with two separate reports issued.

The successful evaluator will be required to present the report to the Chief Executive Officer, the Board Chairman and also the Board as a collective (for the two companies). The nature of reports to be made to the Board include the preliminary report on how the evaluation will be carried out and also the report on the outcome and findings. The outputs of the exercise will be these various reports, culminating with the final reports for the 2021 and 2022 financial years.

### 4) **Methodology and desired outcome**

The evaluator will apply modern methodology in undertaking the evaluation including the use of online tools and technology for efficiency and efficacy of the assignment.

The evaluation will also take into account best evaluation practices including interviews and candid feedback sessions.

In addition, the evaluation should take into account the NSE Plc Strategic Plan 2020 – 2024 and ensure that the tools applied bring out a ‘fit for purpose’ Board that will be well enabled to implement the said Strategic Plan and also align the Board’s oversight activities to the Kenya Capital Markets Masterplan and the relevant Capital markets legislation.

### 5) **Confidentiality and Data Protection**

In tendering for the assignment (for all bidders), and also in undertaking the evaluation (for the successful bidder), due regard must be had to confidentiality of the process and information and also data protection laws as are applicable to the bidders and the NSE Plc.

## C. **TENDER GUIDELINES**

We invite suitably qualified firms to submit their proposals in respect of the above scope of work and adhere to the tender guidelines listed below

### 1. **Requirements**

The firm should submit the following to the NSE Plc to be considered for the assignment:

- (a) All documents as per the “**KNOW YOUR CLIENT (KYC) REQUIREMENTS FOR THIRD PARTIES**” (attached as **Appendix A**);
- (b) Technical capability proposal describing the methodology and work plan for delivery of the services;
- (c) Financial proposal comprising cost of providing the services;
- (d) List of your current clients, particularly those to whom you are offering or have offered similar services;
- (e) Any other relevant information.

### 2. **Eligibility Criteria**

The firms must have proven experience in providing Board Evaluation services. The qualified firm should provide the following:

- (a) Demonstration of experience and expertise in similar assignments; and
- (b) Curricula Vita of the key staff with relevant experience.

### 3. Clarification of Documents

A prospective tenderer requiring any clarification may send enquiries by e-mail to the following address: [legal@nse.co.ke](mailto:legal@nse.co.ke) and copy [procurement@nse.co.ke](mailto:procurement@nse.co.ke).

### 4. Tender Price and Currency

Prices quoted by the tenderer shall be fixed during the tender validity period and not subject to variation on any account. Any **adjusted price must be counter signed by an authorized person.**

The price quoted shall be inclusive of Value Added Tax (VAT), disbursements, terms of payment and in Kenya Shillings.

### 5. Validity of Tenders

Tenders shall remain valid for thirty (30) days after the date of tender closure as stipulated by NSE.

### 6. Modifications and Withdrawals of Tender

The tenderer may modify or withdraw its tender after the tender's submission, provided that the modification, including substitution or withdrawal of the tenders, is received by NSE prior to the deadline prescribed for submission of tenders.

No tender may be modified after the deadline for submission of tenders.

### 7. Clarification of Tenders

To assist in the examination, evaluation and comparison of tenders, NSE may, at its discretion ask the tenderer for a clarification of its tender. No change in the prices or substance of the tender shall be sought, offered, or permitted. Any effort by the tenderer to influence NSE in the tender evaluation, tender comparison or contract award decisions may result in the rejection of the tender.

### 8. Evaluation and Comparison of Tenders

NSE Plc will examine the KYC - **MANDATORY** documents before evaluating the tenders to determine whether they are complete and are generally in order. After examination, a tender that will be determined to be substantially non-responsive, will be rejected and will not be considered in the technical and financial evaluation. The evaluation criteria shall be:

- (a) Proposals shall be evaluated in two parts. The technical proposal shall bear 70% of the total marks while the financial shall bear 30% of the total marks; and
- (b) Proposals should clearly demonstrate the relevant skills, experience and capacity in fulfilling the requirements of the scope.

### 9. Award Criteria

NSE will award the contract to the successful tenderer who has all the KYC documents, the tender has been determined to be substantially responsive and has been determined to be the highest evaluated.

### 10. Notification of Award

Prior to the expiration of the period of tender validity, NSE will notify the successful tenderer that the tender has been accepted.

## **11. Contacting NSE Plc**

No tenderer shall contact NSE Plc on any matter relating to its tender, from the time of the tender opening to the time the contract is awarded. Any effort by a tenderer to influence NSE Plc in its decisions on tender evaluation, tender comparison, or contract award may result in the rejection of the tender.

NSE Plc reserves the right to accept or reject any tender without giving reasons for such acceptance or rejection.

## **12. Tender submission**

The proposal should be addressed to:

**The Chief Executive  
Nairobi Securities Exchange Plc  
The Exchange, 55 Westlands Road  
NAIROBI**

**Attention: Mr. Kuria Waithaka  
Company Secretary & Chief Legal Officer**

And submit to E-mail [legal@nse.co.ke](mailto:legal@nse.co.ke) copy to: [procurement@nse.co.ke](mailto:procurement@nse.co.ke)

The tender documents should be submitted not later than **Friday, 26<sup>th</sup> May 2023 at 4.00 pm.**

## APPENDIX A

<b>THIRD PARTIES KNOW YOUR CLIENT (KYC) REQUIREMENTS</b>	
<b>SOLE PROPRIETOR</b>	<ol style="list-style-type: none"> <li>1. Copy of Business Registration</li> <li>2. Copy Business Permit</li> <li>3. Individual KRA PIN</li> <li>4. KRA Tax Compliance Certificate (to be provided annually)</li> <li>5. Bank details</li> <li>6. Copy of Utility Bill or Lease to confirm existence of the Business premises</li> <li>7. Financial Report for the last two financial years</li> </ol>
<b>LIMITED LIABILITY COMPANY</b>	<ol style="list-style-type: none"> <li>1. Copy of the certificate of incorporation</li> <li>2. Copy Business Permit</li> <li>3. KRA PIN certificate</li> <li>4. KRA Tax Compliance Certificate (to be provided annually)</li> <li>5. List of Directors and shareholders of the company (Copy of ‘CR12’)</li> <li>6. Bank details</li> <li>7. Copy of Utility Bill or Lease to confirm existence of the Business premises</li> <li>8. Financial Report for the last two financial years</li> </ol>
<b>PARTNERSHIPS</b>	<ol style="list-style-type: none"> <li>1. Copy of Partnership Deed /OR Affidavit</li> <li>2. Copy of Certificate of Registration</li> <li>3. Copy of Business Permit</li> <li>4. KRA PIN certificate</li> <li>5. KRA Tax Compliance Certificate (to be provided annually)</li> <li>6. Letter signed by all the partners (on corporate letter head) indicating mandates to transact business on behalf of the firm.</li> <li>7. Copy of Utility Bill or Lease to confirm existence of the Business premises</li> <li>8. Bank details</li> <li>9. Copy of Utility Bill or Lease to confirm existence of the Business</li> <li>10. Financial Report for the last two financial years</li> </ol>