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Ref: NSE/GOO/02/2019

20th February 2019

Mr. Paul Muthaura, MBS
Chief Executive
Capital Markets Authority
Embankment House
NAIROBI

Dear Mr. Muthaura,

RE: RE-ORGANIZATION

We write further to our communication of even reference of yesterday on the above matter.

With regard to the changes in certain functions in the organization, we wish to make a specific clarification that the newly renamed **Chief Operating Officer** (COO) position is actually an expanded role. In addition to managing the functions of market operations and technology, the COO role will also oversee the critical function of data and information services, a business line that the Nairobi Securities Exchange PLC (NSE) is placing a lot of emphasis this year, as well as in the next NSE Strategic Plan period from 2020. Housing data and information services under the COO docket will enhance the oversight of these services, facilitate the generation of more analytic data and undertake repository services, given the technology and business interface resident in the Operations function.

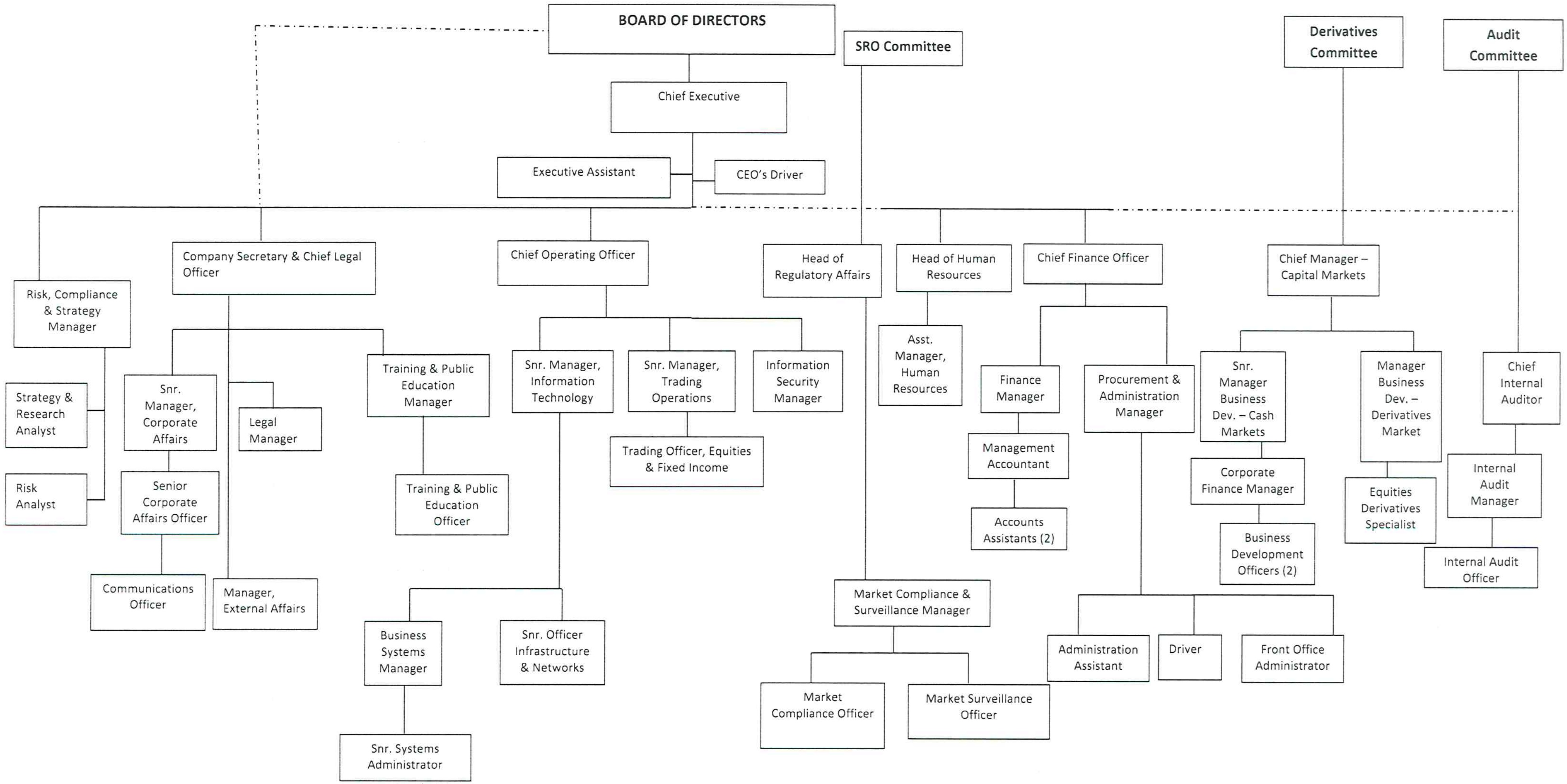
On a separate matter, as we move towards the launch of the Derivatives Market in the course of this year, it is imperative to have a robust structure to support the market once it goes live. The NSE has thus sufficiently resourced the Derivatives team, as well as the clearing entity - NSE Clear Limited. In light of the fact that this entity is affiliated to NSE PLC, administrative support for NSE Clear Limited will be provided by the relevant teams from NSE PLC. In this regard, please find attached the updated NSE PLC and NSE Clear Limited organizational structures, for your reference.

We look forward to your feedback.

Yours sincerely

GEOFFREY O. ODUNDO
CHIEF EXECUTIVE

NAIROBI SECURITIES EXCHANGE PLC: APPROVED ORGANISATION STRUCTURE, FEBRUARY 2019



NSE CLEAR: APPROVED ORGANISATION STRUCTURE, FEBRUARY 2019