

“Confidential”

17 February 2020

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Lagos

Dear [Sir/ Madam],

Request for Proposal to act as Insurance Providers in the Provision of Indemnity Insurance to the Directors of Central Securities Clearing System

Introduction

We, Central Securities Clearing System Plc (CSCS) are Nigeria’s Central Securities Depository (CSD), licensed by the Securities and Exchange Commission (SEC) to provide services which include but are not limited to depository, clearing and settlement of all transactions in the Nigerian Capital Market and innovating solutions which deepen and enhance the efficient functioning of the market. This includes providing an effective single access point for all post-trade services, covering all forms of capital and money market securities including equities, treasury bills, bonds, commodities, funds and cash. With an “A+” CSD rating from Thomas Murray, CSCS ranks amongst the best rated financial services companies in Nigeria and one of the best rated Financial Market Infrastructure (FMI) in Africa.

In running the affairs of the company, the legal doctrine of corporate personality postulates a company as a separate legal entity from its directors. This means that the liabilities of the company reside with the company. However, there are instances which unduly expose directors personally to the company’s liabilities. Such instances impede on the confidence Directors have in carrying out their fiduciary duties and ultimately hinders good corporate governance practice within a company. Therefore, in order to give confidence to our Board of Directors and to ensure good corporate governance practice as stipulated under the Companies and Allied Matters Act (1990) and the Securities and Exchange Commission’s Code of Corporate Governance for Public companies (“the SEC Code”), the provision of effective indemnity insurance would provide the necessary financial protection arising out of wrongful act allegations and lawsuits brought against them.

Consequently, CSCS is looking to engage the services of an insurance company with expertise in the provision of indemnity for the directors of a company operating within the Nigerian Capital Market and Africa to ensure that our directors are effectively protected from any wrongful breach allegations and lawsuits or legal claims to the company as well as render ancillary services around indemnity insurance.

Terms of Reference:

1. Understand, Identify and define CSCS directors’ liabilities that could potentially arise in the course of the performance of their fiduciary duties and/or those that may occur during their respective term(s) on the Board of the company;

2. Develop the relevant applicable indemnity covers and the level of cover for each CSCS director;
3. Offer a highly competitive cost for providing indemnity cover to CSCS directors.
4. As part of engagement, undertake research, review, provide advisory insurance opinions/reports and presentations on applicable directors' insurance policies.

Request for Proposal

Consequently, we invite your company to participate and submit a proposal. Specifically, your proposal should address the following:

1. A declaration of no conflict of interest in taking up this engagement;
2. The company's Profile and a credibility statement outlining recent experience in relation to services that CSCS is seeking;
3. A description of the methodology and work plan for performing your obligations;
4. The total cost (professional fees and estimated expenses) for your services;
5. Any other ancillary terms and conditions of your proposal.

Ethical Standards

Please note that CSCS requires your Company to observe the highest standard of ethics during the selection process and execution of the assignment. In pursuance of this policy, CSCS:

1. define, for the purposes of this provision, the terms set forth below as follows:
 - a. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of any official of CSCS in the selection process or in contract execution; and
 - b. "fraudulent practice" means a misrepresentation of facts to influence a selection process or the execution of a contract to the detriment of CSCS, and to deprive CSCS of the benefits of free and open competition.
2. will reject a Company's proposal if it determines that any member of your Company has engaged in corrupt or fraudulent practices in competing for the assignment.

Procedure after Submission

CSCS shall evaluate proposals based on their responsiveness to the Terms of Reference. Each responsive proposal will be given a score. A proposal shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum score. The shortlisted Firms/companies shall be invited for an oral presentation before a Committee of representatives of

CSCS. Your Company if it achieves the highest score after the final presentation will be invited for negotiations. Negotiations will subsequently be held, the aim of which is to reach an agreement on all points and award the assignment to the successful company. If negotiations fail, the Company with the second highest score will be invited to negotiate an agreement. After negotiations are completed, CSCS will promptly notify other companies on the shortlist that they were unsuccessful.

Confidentiality

By accepting to take part in this selection process, your company shall keep in confidence all information provided to you in relation to this proposal process and shall not disclose the said information to third parties or use the said information for any other purpose other than in relation to the proposal process. Additionally, if your company is not selected, your company shall keep in confidence all information provided to you in relation to this proposal and the fact that you have received this proposal. In view of the sensitivity surrounding the Project, **you are required to keep in strict confidence the fact that you have received this Request for Proposal.**

Conflict of Interest

In addition to submitting your proposal in response to this request, you should send a written confirmation that there is no conflict of interest issues that will prevent your company from taking up this engagement.

Mode of Submission

We look forward to receiving your proposal, no later than the close of business on Monday 24 February 2020. Proposals should be submitted in soft and hard copies. Soft copies should be submitted to rfpsubmission@cscs.ng, while sealed original copies are to be addressed to:

Hand Delivery: c/o Isioma Lawal
 Head, Internal Control
 Central Securities Clearing System Plc
 14th floor, Stock Exchange House
 2/4 Custom Street
 Marina, Lagos

Should you have any questions, require clarification or further documents, do not hesitate to contact CSCS via the above email address or telephone number +23419033551.

Yours Sincerely,

For: Central Securities Clearing System

Haruna Jalo-Waziri

MD/CEO

Charles I. Ojo

Company Secretary