

**SINGAPORE EXCHANGE LIMITED**  
**(the “Company” or “SGX”)**

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**MINUTES OF THE FIFTEENTH ANNUAL GENERAL MEETING OF SINGAPORE EXCHANGE LIMITED HELD AT NTUC AUDITORIUM, ONE MARINA BOULEVARD, LEVEL 7, SINGAPORE 018989 ON 25 SEPTEMBER 2014 AT 10.00 A.M.**

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**1 Introduction**

- 1.1 Mr Chew Choon Seng, Chairman of the annual general meeting (“**Chairman**”), welcomed the shareholders to the 15<sup>th</sup> annual general meeting of the Company (“**AGM**” or “**Meeting**”).
- 1.2 Chairman noted that the Company Secretary had confirmed that a quorum was present and declared the Meeting open. Chairman then proceeded to introduce the Board members who were present. He informed that due to unforeseen circumstances, Mr Davinder Singh was unable to attend the Meeting.
- 1.3 Chairman noted that the Notice of AGM dated 2 September 2014 (“**AGM Notice**”) had been given to all shareholders, announced on SGXNet and advertised in The Business Times. With the consent of the Meeting, the AGM Notice was taken as read.
- 1.4 In accordance with Article 66(a) of the Company’s Articles of Association, the Chairman called a poll in respect of each of the resolutions to be put to the vote at the AGM. Chairman noted that a number of shareholders had appointed him as their proxy and that he would vote “For” and/or “Against” the motions in accordance with such shareholders’ instructions. As Chairman of the Meeting and proxy for such shareholders, he would be proposing all the resolutions, with the exception of Ordinary Resolutions 8 and 9 on approval of Chairman’s and Directors’ fees respectively.
- 1.5 Chairman then informed the Meeting that Mr Davinder Singh foresaw heavy demands on his time in the year ahead, due to his various commitments, and he had therefore written formally to rescind his candidacy for re-election as a Director by shareholders. Chairman said that the Board regretted but understood and

respected Mr Singh's decision. Mr Singh would retire under Article 99A and not offer himself for re-election as a director of the Company. Consequently, Resolution 5 was withdrawn and not to be voted on.

- 1.6 In keeping with established practice at SGX's AGMs, Mr Magnus Böcker, the Chief Executive Officer of the Company ("**CEO**"), was called upon to give a presentation on SGX's performance highlights, and efforts in modernising the Singapore Stock Market and building for long-term success.
- 1.7 Mr Chng Lay Chew, the Chief Financial Officer of the Company ("**CFO**"), delivered a presentation on the financial performance of the Company for the financial year ended 30 June 2014 ("**FY2014**").
- 1.8 Following that, Ms Ding Hui Yun, the Company Secretary of the Company ("**Company Secretary**"), read out the rules of conduct for the AGM and Ms Joanna Ng explained the procedure for electronic voting to the shareholders.

### **ORDINARY BUSINESS**

- 2 **Ordinary Resolution 1: Adoption of the Directors' Report and Audited Financial Statements for the financial year ended 30 June 2014 and the Auditor's Report thereon**
  - 2.1 Resolution 1 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Gan Seow Ann.
  - 2.2 The Chairman invited questions from the shareholders.
  - 2.3 Mr Mano Sabnani opined that the formation of the new committees by SGX, namely the Listings Advisory, Listings Disciplinary and Listings Appeals Committee ("**Committees**"), was a good move to improve regulatory oversight but that it may be more appropriate if the regulatory functions of SGX were segregated and put under a separate entity. Chairman explained that SGX has to work as a self-regulatory organization within the current framework under the laws of the country. SGX has always recognised the importance of keeping the regulatory functions independent of the commercial ones, and there is a Regulatory Conflicts Committee comprising

only Board Directors who are independent of management and have no business relationships with SGX. The three new Committees that have been proposed will further mitigate the risk of conflicts of interests. As the proposals have been put out for public consultation, Mr Sabnani has opportunity to submit his views under the process.

- 2.4 Mr Sabnani enquired if there was a more expeditious way of cleaning up the mainboard and whether SGX should downgrade penny stock companies from the mainboard to Catalist if the mainboard criteria are not met. He was of the view that the introduction of a minimum trading price of 20 cents requirement is cosmetic. The CEO thanked Mr Sabnani for his support in making the market better. He explained that SGX has been making many changes over the years including raising the entrance requirements to the mainboard. Companies with lower market capital or with different business model growth or loss making companies would be designated for the Catalist board. Whilst SGX actively engages companies listed on both the mainboard and Catalist board, the changes introduced take time.
- 2.5 Mr Sabnani commented that the breakdown of the revenue streams on page 20 are presented in a different manner from that on page 131 under Note 27 (Segment Information), which does not aid analysis or understanding of the profitability of the revenue streams. He suggested that the presentation be streamlined. Chairman noted his comments. The CEO clarified that save for the presentation format, nothing new has been added to the revenue streams.
- 2.6 Mr Sunny Tan Keng Sooi enquired if the Company donated funds to Securities Investors Association (Singapore) ("SIAS") as he felt that the funds could be put to better use. The CEO commented that he is very pleased with the partnership with SIAS, SGX has several educational projects with SIAS and the funding is based on mutual contribution.
- 2.7 Mr Sunny Tan opined that a director should not hold more than 5 directorships and that the Company should only appoint directors that do not hold many directorships. He commented that Ms Chew Gek Khim holds too many directorships.
- 2.8 With the permission of the Chairman, Ms Chew explained that her main commitments are Straits Trading Limited, SGX and her family business held by

Tecity. Within the ambit of the family companies, there are lots of subsidiaries which she has to disclose. She confirmed that she spends sufficient time for the matters relating to SGX. Chairman assured shareholders that the Nominating Committee takes pains to ascertain that all board members have the capacity and are able to give the proper amount of time to the affairs of SGX.

- 2.9 Mr Sunny Tan inquired if SGX has any dealings with or has approached any dark pools. The CEO commented that SGX does not run any dark pools but as a leading exchange, has analysed its suitability for the Singapore market.
- 2.10 Mr Sunny Tan sought clarification why SGX is seeking the listing of more S-Chip companies since there have been numerous difficulties pertaining to S-Chip companies. The CEO commented that as a stock exchange, SGX continues to welcome companies from all over the world to list on SGX. New rules have been introduced to enhance the listings. SGX operates a capital market, which helps companies raise funds and create jobs and also affords investors, choice of stocks that they wish to invest in.
- 2.11 Mr Sunny Tan suggested that a financial court be set up to deal with all matters between the investors, regulators and the brokerage firms. Chairman noted his suggestion but commented that this is not within the authority of SGX to address.
- 2.12 Referring to page 23 of the Annual Report, Mr Vincent Tan noted that SDAV is in the state of decline from FY2010 to FY2014 and asked whether the decline was structural or cyclical. The CEO explained that the decline was due to both structural and cyclical issues. Post the global financial crises in 2008, the global market for equities has been on a downward trend. SGX has been introducing more products and services each year, which he believed mitigated the downward trend.
- 2.13 Mr Tan commented that SGX's DDAV has been on a double digit growth from 2010 onwards until last year where the growth was only up 3%. With the tapering DDAV growth, this may not adequately compensate for the SDAV decline. He wanted to know if the DDAV growth was sustainable. The CEO explained that in 2010, SGX's derivative business was dependent on one product namely the Nikkei 225. In the last five years, SGX has grown the derivatives market through the introduction of new products such as the Taiwan and India futures contract, the China A50 future

contracts and the iron ore contract. SGX introduced FX futures for the first time in November 2013 and last Tuesday saw a record volume for India rupee future contract where 15,000 contracts were traded.

2.14 Mr Tan inquired if the Hong Kong Stock Exchange links with Shanghai and Shenzhen exchanges would affect the listing prospects and trading in Singapore, and the status of the ASEAN trade link, which had gone relatively quiet. The CEO commented that SGX is pleased to see Hong Kong Stock Exchange and Shanghai/Shenzhen exchanges coming together to create this trading link and hope that its success would encourage other exchanges in Asia to link up. He informed that SGX has signed an MOU with Taiwan Stock Exchange to create a link between the two exchanges, which would simplify trading for investors. The ASEAN trade link is not a direct link between the ASEAN exchanges, but is a link to assist local brokers to connect cross border and offers awareness of developments in different markets. From SGX's perspective, this was the first step to make the markets more cost effective.

2.15 There being no further questions from the shareholders, the Chairman put Ordinary Resolution 1 to the vote.

2.16 The results on the vote by way of poll were as follows:

Ordinary Resolution 1	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	256,386,540	99.95	119,150	0.05

2.17 Based on the results of the poll, the Chairman declared Ordinary Resolution 1 carried by a majority vote.

### **3 Ordinary Resolution 2: Declaration of a final tax exempt dividend amounting to 16 cents per share for the financial year ended 30 June 2014**

3.1 Ordinary Resolution 2 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Vincent Tan.

3.2 The Chairman invited questions from the shareholders. There being no questions

from the shareholders, the Chairman put Ordinary Resolution 2 to the vote.

- 3.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 2	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	257,117,083	99.97	74,550	0.03

- 3.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 2 carried by a majority vote.

#### 4 Ordinary Resolution 3: Re-election of Mr Lee Hsien Yang as a Director of the Company

- 4.1 Ordinary Resolution 3 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Vincent Tan.

- 4.2 The Chairman invited questions from the shareholders. There being no questions from the shareholders, the Chairman put Ordinary Resolution 3 to the vote.

- 4.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 3	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	245,756,128	95.57	11,385,789	4.43

- 4.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 3 carried by a majority vote.

#### 5 Ordinary Resolution 4: Re-election of Mr Quah Wee Ghee as a Director of the Company

- 5.1 Ordinary Resolution 4 as set out in the AGM Notice was proposed by the Chairman and seconded by Ms Yeo Lian Sim.

- 5.2 The Chairman invited questions from the shareholders. There being no questions

from the shareholders, the Chairman put Ordinary Resolution 4 to the vote.

5.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 4	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	255,273,590	99.32	1,744,598	0.68

5.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 4 carried by a majority vote.

## 6 Ordinary Resolution 5: Re-election of Mr Davinder Singh as a Director of the Company

6.1 Ordinary Resolution 5 was withdrawn and no vote was taken.

## 7 Ordinary Resolution 6: Re-election of Mr Kwa Chong Seng as a Director of the Company

7.1 Ordinary Resolution 6 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Vincent Tan.

7.2 The Chairman invited questions from the shareholders. There being no questions from the shareholders, the Chairman put Ordinary Resolution 6 to the vote.

7.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 6	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	250,178,679	97.73	5,818,633	2.27

7.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 6 carried by a majority vote.

- 7.5 The Chairman informed the Meeting that Mr Ng Kee Choe and Mr Davinder Singh, who were respectively retiring and would not be offering themselves for re-appointment to office. He expressed the Board's, the Company's and shareholders' thanks and appreciation to Mr Ng Kee Choe and Mr Davinder Singh for their wise counsel and valuable contributions.

**8 Ordinary Resolution 7: Re-election of Ms Chew Gek Khim as a Director of the Company**

- 8.1 Ordinary Resolution 7 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Vincent Tan.
- 8.2 The Chairman invited questions from the shareholders. There being no questions from the shareholders, the Chairman put Ordinary Resolution 7 to the vote.
- 8.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 7	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	252,137,938	98.14	4,779,181	1.86

- 8.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 7 carried by a majority vote.

**9 Ordinary Resolution 8: Approval of (i) the sum of \$750,000 to be paid to the Chairman as Director's fees, and (ii) the provision to him of a car with a driver, for the financial year ending 30 June 2015**

- 9.1 Mr Chew, as beneficiary of Ordinary Resolution 8, handed the Chair of the Meeting to the Chairman of the SGX Nominating Committee, Mr Kwa Chong Seng.
- 9.2 Ordinary Resolution 8 as set out in the AGM Notice was proposed by the Chairman (Mr Kwa) and seconded by Mr Gan Seow Ann.
- 9.3 The Chairman (Mr Kwa) invited questions from the shareholders.



- 9.4 Mr Sunny Tan Keng Sooi expressed his opinion that the chairman's fees proposed to be paid to Mr Chew was excessive. The Chairman (Mr Kwa) explained that the fees payable to Mr Chew was in line with those of comparable listed companies, and took into account the amount of time and effort expected of him. Given that SGX is a self-regulatory organisation, Mr Chew does not accept appointment to any other listed company and devotes a considerable amount of time and attention to the affairs of SGX, and provides close oversight, guidance, advice and leadership to the Chief Executive Office and management. The amount proposed has remained unchanged from the preceding years.
- 9.5 Mr Sabnani commented that shareholders are entitled to hold different views but if shareholders wanted the Company to take them seriously, shareholders have to check their facts, be fair in their comments and be respectful. He was of the view that Mr Chew was performing well as chairman of SGX, and that shareholders should not begrudge him the proposed emoluments.
- 9.6 The Chairman (Mr Kwa) assured that all the directors work for the shareholders and it was important to have a high quality chairman lead the Board. There being no further questions from the shareholders, the Chairman (Mr Kwa) put Ordinary Resolution 8 to the vote.
- 9.7 The results on the vote by way of poll were as follows:

Ordinary Resolution 8	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	239,530,287	93.09	17,792,255	6.91

- 9.8 Based on the results of the poll, the Chairman (Mr Kwa) declared Ordinary Resolution 8 carried by a majority vote.
- 9.9 After Ordinary Resolution 8 was passed, Mr Kwa handed the Chair of the Meeting back to Mr Chew.
- 10 **Ordinary Resolution 9: Approval of the sum of up to \$1,500,000 to be paid to all Directors (other than the Chief Executive Officer) as Directors' fees for the**

**financial year ending 30 June 2015**

10.1 The Chairman explained that the proposed Directors' fees remained the same as last year and details of the fee structure are set out on page 50 of the Annual Report. At Chairman's invitation, Mr Tan Seow Wee proposed Ordinary Resolution 9 as set out in the AGM Notice and Mr Gan Seow Ann seconded it.

10.2 The Chairman invited questions from the shareholders. For the Directors' fees, Mr Vincent Tan inquired if the Company had taken into account the withdrawal of Mr Singh's candidacy for re-election, and whether the number of the directors would remain the same. Chairman replied that the proposed fees had provided for Mr Singh's reappointment but it would now allow the Company flexibility to appoint a new director to fill the seat in the course of the year. There being no further questions from the shareholders, the Chairman put Ordinary Resolution 9 to the vote.

10.4 The results on the vote by way of poll were as follows:

Ordinary Resolution 9	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	256,022,396	99.54	1,185,605	0.46

10.5 Based on the results of the poll, the Chairman declared Ordinary Resolution 9 carried by a majority vote.

**11 Ordinary Resolution 10: Re-appointment of PricewaterhouseCoopers LLP as Auditors of the Company**

11.1 Ordinary Resolution 10 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Vincent Tan.

11.2 The Chairman invited questions from the shareholders. There being no questions from the shareholders, the Chairman put Ordinary Resolution 10 to the vote.

11.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 10	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	256,580,384	99.86	357,150	0.14

- 11.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 10 carried by a majority vote.

### **SPECIAL BUSINESS**

#### **12 Ordinary Resolution 11: Authority for the Directors to issue shares and to make or grant convertible instruments**

- 12.1 Ordinary Resolution 11 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Gan Seow Ann.

- 12.2 The Chairman invited questions from the shareholders. There being no questions from the shareholders, the Chairman put Ordinary Resolution 11 to the vote.

- 12.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 11	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	249,930,477	97.47	6,494,216	2.53

- 12.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 11 carried by a majority vote.

#### **13 Ordinary Resolution 12: The Proposed Renewal of the Share Purchase Mandate**

- 13.1 Ordinary Resolution 12 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Vincent Tan.

- 13.2 The Chairman invited questions from the shareholders. There being no questions from the shareholders, the Chairman put Ordinary Resolution 12 to the vote.

- 13.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 12	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	253,192,325	99.84	416,140	0.16

- 13.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 12 carried by a majority vote.

**14 Special Resolution 13: The Proposed Alterations to the Articles of Association**

- 14.1 Special Resolution 13 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Gan Seow Ann.

- 14.2 The Chairman invited questions from the shareholders. There being no questions from the shareholders, the Chairman put Special Resolution 13 to the vote.

- 14.3 The results on the vote by way of poll were as follows:

Special Resolution 13	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	255,153,575	99.61	993,734	0.39

- 14.4 Based on the results of the poll, the Chairman declared Special Resolution 13 carried as a special resolution.

- 14.5 Ms Ng Gee Hong inquired whether anything could be done for minority shareholders in a delisted company and if SGX could assist to seek some form of compensation for these shareholders from the delisted company. Mr Richard Teng explained that a regime is in place for any company seeking to delist in Singapore, whether voluntarily or involuntarily, to make an exit offer to all its shareholders. There is protection for investors and SGX works actively with these companies to comply with the rules. If the delisting is voluntary, a company would usually make

an exit offer to its shareholders. However, companies facing involuntary delisting that are in poor financial condition may not have the means to make any offer. Going forward, SGX is seeking for more enforcement power to enable SGX to push these companies further in such instances.

- 14.6 Mr Toh Chew Yak inquired if SGX would take steps against companies (and in particular, suspended companies) that refuse to hold their annual general meeting. The CEO said that it is not the Company's practise to comment on any individual company or situation. In response to Mr Toh's enquiry on investigations, the CEO said that SGX has strong surveillance and enforcements teams who would take necessary steps to enforce the rules. He assured shareholders that SGX monitors all cases closely.

## **15 Closure**

- 15.1 There being no other business, the Chairman thanked all present for their attendance, requested that handsets and smartcards be returned and declared the AGM closed. The AGM ended at approximately 11.55 a.m..

Approved by



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Chew Choon Seng  
Chairman