

SINGAPORE EXCHANGE LIMITED

MINUTES OF THE FIRST EXTRAORDINARY GENERAL MEETING OF THE SINGAPORE EXCHANGE LIMITED HELD ON 1 NOVEMBER 2000 AT 39 SCOTTS ROAD, LEVEL TWO, BALLROOM TWO, SHERATON TOWERS, SINGAPORE (2282230) AT 10.10 A.M.

Present (at the Principal Table) :

Mr J Y Pillay	-	Chairman
Mr Thomas Kloet	-	CEO, Director
Mr George Teo	-	Director
Mr Richard Gnodde	-	Director
Mr Ho Tian Yee	-	Director
Mr Wong Ngit Liong	-	Director
Mr Robert Stein	-	Director
Mr Low Check Kian	-	Director
Ms Joyce Fong	-	Company Secretary

Absent (with apologies)

Mr Victor Liew	-	Director
Mr Hidetoshi Mine	-	Director
Mr Goh Yew Lin	-	Director

Advisers by Invitation: From Merrill Lynch ("ML")

Dr Tommy Tan	-	Managing Director
		Head of Corporate Finance
Mr Malcolm Hiscock	-	Director
Mr Ben Iversen	-	Director
Ms Tracey Woon	-	Director
Mr Bruce Liu	-	Vice President

From Cravath, Swaine & Moore (“Cravath”)

Mr Tim Massad - Partner
Ms Marjorie Cresta - Associate

From Allen & Gledhill (“A&G”)

Mr Lucien Wong - Managing Partner
Mr Yeo Wico - Partner
Ms Christina Ong - Partner

From PriceWaterhouseCoopers (“PwC”)

Mr Phillip Tan - Partner
Mr John Chung - Senior Manager

From Development Bank of Singapore (“DBS”)

Mr Kan Shik Lam - Managing Director
Ms Tay Toh Sin - Vice President

1. **Notice of Meeting**
 - 1.1 Chairman called the Meeting to order. The Notice of Meeting was taken as read.
2. **Special Resolution 1 : Adoption of new Articles of Association of the Company**
 - 2.1 Special Resolution 1 was proposed by Mr Su E-Min of DMG & Partners and seconded by Mr Steve Ng of ABN AMRO Futures (S) Limited.
 - 2.2 Upon Chairman’s invitation for questions and comments from the floor, Mr Foo Siew King inquired as to the proposed IPO price for the SGX shares.

- 2.3 Mr Yap Chuan Ling referred to the Deputy Prime Minister's speech (the "DPM's Speech") at the SES 25th Anniversary Celebration Dinner on 4 November 1998, which allegedly implied that the percentage of total shares owned by brokers will be subject to a ceiling of 75% and a floor of 33 1/3 %. He complained that the "guidelines" laid down by the DPM on the ownership of the SGX by the existing shareholders post offering had not been followed in the formula for the Capital Restructuring.
- 2.4 Mr Chan Chee Hwee supported Mr Yap Chuan Ling and referred to the examples given by SGX on the amount of bonus shares that would be issued to them following the Capital Restructuring on page 44 of the Circular to Shareholders dated 9 October 2000. Where the Offering Price was set at \$1.00 per share, the percentage of ownership in SGX by existing shareholders would amount to 30.8%. Similarly, where the Offering Price was set at \$2.00 per share, existing shareholders would suffer a dilution to 20.5%. In fact, only where the Offering Price was set below \$0.91 per share would the alleged guidelines set by the DPM be met. He perceived the dilution as not being equitable, nor in accordance to the spirit of the alleged guidelines.
- 2.5 Mr Wong Hong Peng felt that it was 'unethical' for SGX to insist that the contents of the Private Placement Memorandum ("PPM") be kept confidential, as required on the cover page of the PPM, as the shareholders may need to consult their lawyers and/or accountants for professional advice.
- 2.6 Mr Lucien Wong explained that under Singapore law, shareholders were not allowed to distribute, in part or whole, the PPM, as this was not a public offer. However, shareholders were free to consult their lawyers and financial advisors and this was specifically so provided on page 3 of the PPM.
- 2.7 Mr Tan Keng Soon complained that he and other SIMEX locals were unhappy that the Private Placement was to be conducted concurrently with the Initial

Public Offer (“IPO”). If the Private Placement had been conducted earlier, the existing shareholders would have been able to enjoy an appreciation in the value of their SGX shares at the IPO. He pointed out that the value of their shareholdings had been fixed over a year ago, in November 1998, and that the delay in the Private Placement has caused the existing shareholders to suffer a loss by depriving them of a chance to realize an upside in the value of their shares at the IPO. Mr Zephure Kee shared similar views.

- 2.8 Mr Peter Yim complained about the non-payment of dividends. Previously, SIMEX seat-holders could lease out their seats and receive rental income from the seat. This contrasted with the present situation where they have derived no income from their SGX shares for one year, despite profits having been made by the SGX. He inquired if they would be compensated for their loss of income.
- 2.9 Ms Teoh Ang Hong and Mr Ang Su Teng voiced their disappointment that the Board and the management of SGX had not looked after the interests of the existing shareholders in the proposed IPO and the Private Placement (together referred to as the “SGX share offering”) and in the proposed Capital Restructuring.
- 2.10 Mr Ronnie Sim felt that the proposed SGX share offering and Capital Restructuring exercise was disadvantageous to shareholders and suggested that the Board of Directors put a cap to the number of shares that were to be issued to the Financial Sector Development Fund (the “FSDF”).
- 2.11 Chairman, in his reply to the questions, views and opinions raised by the shareholders, reminded the Meeting that the DPM’s Speech had set out the terms of the demutualisation and merger of the exchanges. The compensation to shareholders had been settled at that time by the authorities, and not by the SGX Board. These terms had subsequently been encapsulated in the Exchanges (Demutualisation & Mergers) Act 1999 (the “Merger Act”). Under the Merger

Act, the timing of the IPO, the issue size and the issue price are matters to be decided by the DPM. The Merger Act also provides that the proceeds from the SGX share offering are to be given to the FSDF, whose objective is the development of the financial sector, including the Exchange and the capital markets. However, the Chairman undertook to convey the sentiments expressed at the Meeting to the authorities.

2.12 In reply to the charge that the Capital Restructuring formula was not in accordance with the guidelines laid down in the DPM's speech, Chairman said that the guidelines had to be read in conjunction with the DPM's hypothesis in his speech that the valuation of the new entity, SGX, was between S\$600 – S\$800 million. However, mindful of the DPM's intention that brokers should maintain a significant stake in SGX, the SGX Board had, together with the vendor of the SGX Shares, offered the existing shareholders a preferential priority allocation of the SGX Shares in the proposed SGX share offering. This priority allocation would enable existing shareholders to maintain a significant stake in SGX, post-offering. As for the issue of the non-payment of dividends, Chairman said that the Board's intention is to declare a gross dividend of 7.4% to compensate for the lack of dividends in the current year. As for the complaint that the delay in the private placement had caused shareholders a loss by depriving them of a chance to realise a premium to their shares at the IPO, Chairman explained that the delay was due to an unexpectedly protracted search for a CEO.

2.13 Mr Lee Kwok Kim complained that the existing shareholders' priority allocation was unfair to existing shareholders. In order to qualify for the priority allocation, existing shareholders had to sign a Deed of Undertaking which restricted them from selling their existing and new SGX shares for 90 days from the close of the IPO. He said that the Undertaking was unfair because even if the existing shareholders do not subscribe for new shares, the Undertaking locks up their existing shares for 90 days.

- 2.14 Chairman replied that the consideration for the priority allocation was the lock-up. Whether the lock-up was a penalty depended on the price of the shares at the expiry of the moratorium.
- 2.15 There being no further questions, the Chairman exercised his right, pursuant to Article 66 of the Articles of Association (“the Articles”), to call for a poll vote on Special Resolution 1.
- 2.16 The Chairman appointed PricewaterhouseCoopers as the Scrutineers for the poll vote.

Poll Results

- 2.17 Out of a total number of 44,586 shares, 41,708 shares, representing 93.5% of the shares cast, were in favour of Special Resolution 1. A copy of the Scrutineer’s Report on the Poll Results is annexed hereto as “EGM-1”.
- 2.18 Special Resolution 1 was therefore carried.
3. **Ordinary Resolution 2 : Sub-division of each ordinary share of \$1.00 each in the capital of the Company into 100 ordinary shares of \$0.01 each and a bonus issue of new ordinary shares of \$0.01 each in the capital of the Company**
- 3.1 Ordinary Resolution 2 was proposed by Mr Andrew Church of ABN AMRO Futures (S) Limited and seconded by Mr Teo Tong Chye.
- 3.2 There being no comments or questions, the meeting proceeded to vote on Resolution 2.

- 3.3 Resolution 2 was defeated on a show of hands; with 60 votes for and 72 votes against the resolution. A copy of the Scrutineer's Report on the Results of Voting on Show of Hands is annexed hereto as "EGM-2".
- 3.4 The Chairman then proceeded to exercise his right to call for a poll vote pursuant to Article 66 of the Articles.

Poll Results

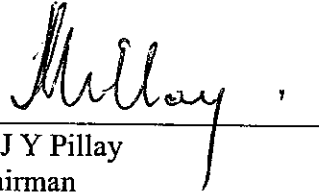
- 3.5 Out of a total of 40,743 shares, 36,283 shares, representing 89.1% of the shares cast, were in favor of Ordinary Resolution 2. A copy of the Scrutineers' Report on the Poll Results is annexed hereto as "EGM-3".
- 3.6 Ordinary Resolution 2 was therefore carried.
4. **Ordinary Resolution 3 : Adoption of a share option plan to be known as the SGX Share Option Plan**
- 4.1 Ordinary Resolution 3 was proposed by Mr Kirtikar Mehta and seconded by Mr Tan Keng Soon.
- 4.2 There being no comments or questions, the meeting proceeded to vote on Resolution 3.
- 4.3 The Chairman declared that Ordinary Resolution 3 had been carried on the voting by a show of hands.
- 5 **Ordinary Resolution 4 : Approval to grant options under the SGX Share Option Plan with subscription prices set at a discount to market price.**

- 5.1 Ordinary Resolution 4 was proposed by Mr Gan Siew Ann and seconded by Mr Ronnie Sim.
- 5.2 There being no comments or questions, the Meeting proceeded to vote on Ordinary Resolution 4.
- 5.3 The Chairman declared that Ordinary Resolution 4 had been carried on the voting by a show of hands.
6. **Ordinary Resolution 5 : Approval of the grant of options to the CEO of the Company, Mr Thomas A. Kloet, and the allotment and issue of shares upon the exercise of such options.**
- 6.1 Ordinary Resolution 5 was proposed by Mr Chua Chee Wan and seconded by Mr Yap Chuan Ling.
- 6.2 Upon Chairman's invitation for questions and comments from the floor, Mr Yap Chuan Ling inquired if the CEO would give his assurance that he would look after the interests of the shareholders if the Meeting approved the grant of options. The CEO assured the Meeting that he would indeed do so and pointed out that the grant of options would more closely align his interests with the shareholders' interest in the Company. There being no further comments or questions, the Meeting proceeded to vote on Ordinary Resolution 5.
- 6.3 The Chairman declared that Ordinary Resolution 5 had therefore been carried on a show of hands; with 70 votes for and 1 vote against the resolution. A copy of the Scrutineer's Report on the Results of Voting on Show of Hands is annexed hereto as "EGM-4".

7. **Closure**

- 7.1 There being no further business, the Meeting closed at 1.15 p.m. with a vote of thanks from the shareholders to the Chairman.

Confirmed

A handwritten signature in cursive script, appearing to read 'M. Pillay', is written over a horizontal line.

Mr J Y Pillay
Chairman
Singapore Exchange Limited

Minutes recorded by : Ms Joyce Fong, Company Secretary

The Chairman of the Board of Directors

SR1

**PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION OF
SINGAPORE EXCHANGE LIMITED ("THE COMPANY")**

Scrutineers' Report for Extraordinary General Meeting Of Shareholders

We, the undersigned, being the Scrutineers duly appointed by the Company in connection with the voting on the poll on Special Resolution 1 at the Extraordinary General Meeting of the Shareholders of the Company held at Sheraton Towers Singapore, Ballroom 2, Level 2, 39 Scotts Road, Singapore 228230 on 1 November 2000 and taken at the same place and on the same day do hereunder report the results of the voting on the said poll at such Extraordinary General Meeting.

POLL RESULTS

	No. of Shares	Percentage
FOR	41,708	93.5 %
AGAINST	2,878	6.5 %
Total No. of Valid Votes	44,586	100%

The resolution is CARRIED ~~/NOT CARRIED~~.

PricewaterhouseCoopers

PricewaterhouseCoopers

1/11/2000

[Signature]

The Chairman of the Board of Directors

OR2

PROPOSED SUB-DIVISION OF EACH ORDINARY SHARE OF \$1.00 EACH IN THE CAPITAL OF SINGAPORE EXCHANGE LIMITED ("THE COMPANY") INTO 100 ORDINARY SHARES OF \$0.01 EACH AND A BONUS ISSUE OF NEW ORDINARY SHARES OF \$0.01 EACH IN THE CAPITAL OF THE COMPANY

Scrutineers' Report for Extraordinary General Meeting Of Shareholders

We, the undersigned, being the Scrutineers duly appointed by the Company in connection with the voting on the poll on Ordinary Resolution 2 at the Extraordinary General Meeting of the Shareholders of the Company held at Sheraton Towers Singapore, Ballroom 2, Level 2, 39 Scotts Road, Singapore 228230 on 1 November 2000 and taken at the same place and on the same day do hereunder report the results of the voting on the said poll at such Extraordinary General Meeting.

POLL RESULTS

	No. of Shares	Percentage
FOR	36,283	89.1 %
AGAINST	4,460	10.9 %
Total No. of Valid Votes	40,743	100%

The resolution is CARRIED /~~NOT CARRIED~~/

PricewaterhouseCoopers

PricewaterhouseCoopers

1/11/00