

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

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**MINUTES OF THE FOURTEENTH ANNUAL GENERAL MEETING OF SINGAPORE EXCHANGE LIMITED HELD AT NTUC AUDITORIUM, ONE MARINA BOULEVARD, LEVEL 7, SINGAPORE 018989 ON 19 SEPTEMBER 2013 AT 10.00 A.M.**

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**1 Introduction**

- 1.1 Mr Chew Choon Seng, the Chairman of the annual general meeting (“**Chairman**”), welcomed the shareholders to the 14<sup>th</sup> annual general meeting of the Company (“**AGM**” or “**Meeting**”).
- 1.2 The Chairman noted that the Company Secretary had confirmed that a quorum was present and declared the Meeting open. The Chairman then proceeded to introduce the Board members who were in full attendance.
- 1.3 The Chairman noted that the Notice of AGM dated 28 August 2013 (“**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. The 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.
- 1.5 Mr Magnus Böcker, the Chief Executive Officer of the Company (“**CEO**”), delivered a presentation on SGX’s role in a changing world, SGX’s performance highlights, the importance of trust in SGX’s business and how SGX intended to thrive going forward.

- 1.6 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 2013 (“**FY2013**”).
- 1.7 Ms Ding Hui Yun, the Company Secretary of the Company (“**Company Secretary**”), read out the rules of conduct for the AGM and Ms Tina Kong explained the procedure for electronic voting to the shareholders.

### **ORDINARY BUSINESS**

- 2 **Resolution 1: Adoption of the Directors’ Report and Audited Financial Statements for the financial year ended 30 June 2013 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 Seow Chin Shian.
- 2.2 The Chairman invited questions from the shareholders.
- 2.3 Mr Mano Sabnani complimented SGX on its financial performance and expressed interest in SGX’s strategy going forward. In particular, Mr Sabnani wanted to understand if SGX’s growth was likely to be organic, or whether SGX was still considering a merger with another exchange. The CEO commented that there were a lot of growth opportunities in the organic space, especially with respect to new products, increasing distribution and geographical growth. However, SGX had a duty to be well informed about the market, its competitors and alternatives to organic growth. Consequently, the CEO did not rule out any potential merger but stated that currently, SGX’s focus would be on organic growth. The Chairman added that in the last couple of years, mergers between exchanges were largely within national boundaries and cited the mergers of Tokyo Stock Exchange with Osaka Stock Exchange and InterContinentalExchange (ICE) with NYSE Euronext as examples. The Chairman noted that cross-border transactions, namely the unsuccessful acquisition of Toronto Stock Exchange by London Stock Exchange and that of NYSE Euronext by

Deutsche Borse, had been blocked, ostensibly on reasons of competition but probably nationalism was also a factor. The Chairman stated that the Board shared management's assessment of the organic growth opportunities available to SGX.

2.4 Mr Sabnani observed that the practice of initial public offerings ("IPOs") in Singapore seemed to involve large placements to institutional investors, with little or no allotment to retail investors. His concern was that a lack of spread of shareholders would result in the companies in question being controlled by only a few parties. He queried what SGX was doing to ensure: (i) a wider spread of shareholders; and (ii) the stability of the market in general. The Chairman observed that it was in the interests of an exchange to have high liquidity and high volumes of trading together with width and depth of market participants. Therefore, SGX was committed to measures to increase trading velocity. The CEO outlined some recent initiatives by SGX to increase liquidity and make the market more attractive to retail investors, such as its proposal to reduce board lot sizes and the proposed introduction of circuit breakers. The CEO also informed that SGX actively engaged with listed companies to provide them with tools to make themselves more attractive to investors. The Chairman noted that SGX had also proposed listing rule changes to require new IPOs to allot more shares to retail investors.

2.5 Mr Bobby Lim asked for the Board's thoughts on the unsuccessful acquisition of the Australian Stock Exchange by SGX despite the then Australian Prime Minister's support for the transaction. Mr Lim also referred to SGX's presentation of its accounts and said that he found it difficult to carry out a year on year comparison due to changes in the classification of certain expense items. Regarding the first question, the Chairman said that the board and management of ASX were in favour of the transaction, and the rejection was clearly politically driven. He opined that politicians were unlikely to overtly oppose a merger on protectionist grounds. Oppositions to cross-border mergers were generally couched in terms of competitive logic. As for Mr Lim's second point, the Chairman said that the basic format for SGX's financial statements was consistent from year to year, even if the presentation in the Annual Report may differ slightly. The CEO welcomed Mr Lim's feedback on the presentation of SGX's accounts but highlighted that as SGX's businesses were constantly changing and evolving, a reclassification of certain items would be necessary from time to time.

- 2.6 Mr Lim then inquired about SGX's growth drivers, particularly, where SGX's new listings were likely to come from. The CEO said he expected that there would be an increased number of listings from ASEAN, Japan and China, with a few listings from Europe. However, he did not anticipate many listings from the USA. He attributed international interest in SGX to the political stability of Singapore, trust in Singapore's regulatory environment and the growing asset management industry. Mr Lim asked why Japanese companies, for example, would be interested in listing on SGX instead of the Tokyo Stock Exchange ("TSE"). The CEO explained that SGX was an international exchange with over 40% of its listed companies being offshore companies. By contrast, TSE attracted mainly Japanese companies. This made it difficult for companies listed on TSE to reach out to international investors. The Chairman added that SGX was attractive due to Singapore's established infrastructure and legal framework as well as its open, orderly and transparent market.
- 2.7 Mr Raymond Lee noted that the payout ratio had decreased despite the increase in revenue and that a large amount of cash had been retained. Mr Lee wanted to know SGX's plans for its retained cash. The Chairman clarified that the bulk of SGX's cash holdings consisted of clearing house funds which were required by regulation to be retained by SGX. The Chairman pointed out that very few companies had a dividend payout ratio of almost 90% of profits and that SGX's policy was aimed at ensuring that the dividend payouts were sustainable and stable in the long term. Hence, SGX's standing policy to pay 4 cents every quarter, with an annual minimum payout of 80% of profits.
- 2.8 Mr Vincent Tan inquired about the definition of "equity turnover velocity" on page 31 of the annual report and sought clarification on whether suspended companies were taken into account in the calculation of equity turnover velocity. The CEO said that equity turnover velocity was the turnover of the shares of the companies listed on the SGX as a percentage of the underlying market capitalisation, and clarified that suspended companies are excluded from the calculation.
- 2.9 Mr Tan wanted to know if the derivatives business was sustainable. The CEO outlined how the derivatives market had grown in the last few years and said that SGX was looking to further grow the derivatives market through the introduction of new products and the distribution of such products through new clients. An increase in the number of participants

and users would reduce the volatility of the derivatives market and increase its stability and sustainability.

- 2.10 Mr Tan referred to the annual report and was interested to know why the first target listed on page 79 of the annual report was “Clear articulation of SGX’s dual role as regulator and exchange”. The CEO explained that with SGX’s dual role as front line regulator and market operator, the establishment of trust in SGX’s regulatory framework was of utmost importance.
- 2.11 Mr Tan then referred to the executive remuneration disclosed in the annual report and noted that nearly 50% of Ms Yeo Lian Sim’s remuneration was in the form of shares. He queried if Ms Yeo’s remuneration calculation should be de-linked from the Company’s share price performance, given her regulatory role. In response, the Chairman explained that the Remuneration Committee had taken this issue into account when determining the remuneration packages of Ms Yeo and other employees with regulatory functions and had determined that the remuneration of such employees should comprise a higher fixed pay component and a lower variable component with variable pay linked to individual KPIs and not directly to SGX’s net profit. This approach is consistent with the latest international regulatory recommendations. The Chairman pointed out that, as disclosed in the Annual Report, the fixed pay component of Ms Yeo’s remuneration was the highest among the five top-earning executives.
- 2.12 Mr Abraham Saw was interested to find out more on the following three topics:
- (a) establishment of an options market;
  - (b) increasing the number of resources based companies on SGX; and
  - (c) plans for expansion of the bond market.

The CEO confirmed that SGX was currently evaluating all 3 topics. With respect to the first topic, the CEO explained that in order to establish an options market, SGX needed to be able to support local brokers and their infrastructure. He anticipated that this could be achieved in the next one to 1.5 years. With respect to the second topic, he informed Mr Saw that SGX was currently adding more commodity products on the clearing side. Further, SGX’s acquisition of 49% of Energy Market Company might open up opportunities to support an electricity futures market and possibly, the gas market. Finally, with respect to

the third topic, the CEO observed that SGX currently had more than a 50% market share of the Asian market for non-local currency bonds. SGX was exploring whether it could support a wholesale bond trading market, a product which was currently lacking in Asia.

2.13 Mr Saw asked a follow-up question regarding restrictions in the crude palm oil (CPO) derivatives market in Singapore. The CEO responded that there were no restrictions per se, but as this was a well-established market elsewhere, it would be easier for SGX to introduce new products instead of focussing on competing with existing products.

2.14 Mr Bobby Lim recounted a number of negative experiences he has had with SGXNet and his subsequent requests for assistance with SGXNet. In particular, he:

- expressed his disappointment that information on listed companies was only available on SGXNet for a certain period of time before being removed from public view;
- referred to a company listed on Catalist whose accounts filings on SGXNet were separated into 3 files which in total were more than 300 MB, whereas on the company's own website, the information was contained in a single file of 1.5MB; and
- noted that he had complained to SGX a number of times and met with SGX executives, to no avail.

The CEO assured Mr Lim that SGXNet was being modernised to be more customer friendly and that SGX was making sequential changes to SGXNet, including making it easier for companies to upload information onto SGXNet. Mr Lim observed that the current system left SGXNet open to error and eroded investors' trust and confidence in SGX's systems. The Chairman reiterated the CEO's response that SGXNet was a work in progress and that SGX was in the process of improving and refreshing the system.

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

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

Resolution 1	For	Against
	No. of shares	No. of shares
	262,918,076	103,480

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

**3 Resolution 2: Declaration of a final tax exempt dividend amounting to 16 cents per share for the financial year ended 30 June 2013**

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

3.2 The Chairman invited questions from the shareholders. There being no questions from the shareholders, the Chairman put Resolution 2 to the vote.

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

<b>Resolution 2</b>	<b>For</b>	<b>Against</b>
	No. of shares	No. of shares
	262,994,662	124,050

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

**4 Resolution 3: Re-election of Mr Chew Choon Seng as a Director of the Company**

4.1 Mr Chew, as beneficiary of Resolution 3, handed the Chair of the Meeting to the Chairman of the Nominating Committee, Mr Ng Kee Choe.

4.2 Resolution 3 as set out in the AGM Notice was proposed by the Chairman (Mr Ng) and seconded by Mr Henry Tan.

4.3 The Chairman (Mr Ng) invited questions from the shareholders. There being no questions from the shareholders, the Chairman (Mr Ng) put Resolution 3 to the vote.

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

<b>Resolution 3</b>	<b>For</b>	<b>Against</b>
	No. of shares	No. of shares
	258,281,646	4,770,380

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

4.6 After Resolution 3 was passed, Mr Ng handed the Chair of the Meeting back to Mr Chew.

## 5 **Resolution 4: Re-election of Mr Magnus Böcker as a Director of the Company**

5.1 Resolution 4 as set out in the AGM Notice was proposed by the Chairman and seconded by Ms Lim Kim Niah.

5.2 The Chairman invited questions from the shareholders. There being no questions from the shareholders, the Chairman put Resolution 4 to the vote.

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

<b>Resolution 4</b>	<b>For</b>	<b>Against</b>
	No. of shares	No. of shares
	261,997,952	1,052,261

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



## 6 Resolution 5: Re-election of Mr Thaddeus Beczak as a Director of the Company

6.1 Resolution 5 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Seow Chin Shian.

6.2 The Chairman invited questions from the shareholders. There being no questions from the shareholders, the Chairman put Resolution 5 to the vote.

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

Resolution 5	For	Against
	No. of shares	No. of shares
	262,093,152	705,970

6.4 Based on the results of the poll, the Chairman declared Resolution 5 carried by a majority vote.

## 7 Resolution 6: Re-election of Ms Jane Diplock AO as a Director of the Company

7.1 Resolution 6 as set out in the AGM Notice was proposed by the Chairman and seconded by Ms Catherine Ow.

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

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

Resolution 6	For	Against
	No. of shares	No. of shares
	262,101,902	627,000

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

7.5 The Chairman informed the Meeting that Mr Robert Owen, who was retiring under section 153(6) of the Companies Act at the Meeting, would not be offering himself for re-appointment to office. He expressed the Board's and the Company's thanks and appreciation to Mr Owen for his wise counsel, conscientious attention and significant contribution to SGX over the past 9 years, and wished him well in his future endeavours.

7.6 In response, Mr Owen thanked the Chairman and stated that it had been a privilege to work with such a high quality Board. Mr Owen wished the Board continued success going forward.

**8 Resolution 7: 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 2014**

8.1 Mr Chew, as beneficiary of Resolution 7, handed the Chair of the Meeting to the Chairman of the SGX Nominating Committee, Mr Ng Kee Choe.

8.2 Resolution 7 as set out in the AGM Notice was proposed by the Chairman (Mr Ng) and seconded by Mr Teo Lye Hock.

8.3 The Chairman (Mr Ng) invited questions from the shareholders. There being no questions from the shareholders, the Chairman (Mr Ng) put Resolution 7 to the vote.

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

	<b>For</b>	<b>Against</b>
<b>Resolution 7</b>	No. of shares	No. of shares
	255,221,540	7,431,564

8.5 Based on the results of the poll, the Chairman (Mr Ng) declared Resolution 7 carried by a majority vote.

8.6 After Resolution 7 was passed, Mr Ng handed the Chair of the Meeting back to Mr Chew.

**9 Resolution 8: 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 2014**

9.1 The Chairman explained the bases for the calculation of Directors' fees and invited a shareholder to propose Resolution 8 as set out in the AGM Notice and another to second it.

9.2 Mr Seow Chin Shian proposed Resolution 8 and Ms Catherine Ow seconded it.

9.3 The Chairman invited questions from the shareholders. There being no questions from the shareholders, the Chairman put Resolution 8 to the vote.

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

<b>Resolution 8</b>	<b>For</b>	<b>Against</b>
	No. of shares	No. of shares
	261,356,234	1,409,970

9.5 Based on the results of the poll, the Chairman declared Resolution 8 carried by a majority vote.

**10 Resolution 9: Re-appointment of PricewaterhouseCoopers LLP as Auditors of the Company**

10.1 Resolution 9 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Seow Chin Shian.

10.2 The Chairman invited questions from the shareholders. There being no questions from the shareholders, the Chairman put Resolution 9 to the vote.

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

Resolution 9	For	Against
	No. of shares	No. of shares
	260,706,934	1,142,220

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

### **SPECIAL BUSINESS**

**11 Resolution 10: Appointment of Mr Ng Kok Song as a Director of the Company pursuant to Article 104 of the Articles of Association**

11.1 Resolution 10 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Seow Chin Shian.

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

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

Resolution 10	For	Against
	No. of shares	No. of shares
	261,411,736	935,080

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

11.5 Mr Ng Kok Song joined the Board on the stage.

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

12.1 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 Resolution 11 to the vote.

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

<b>Resolution 11</b>	<b>For</b>	<b>Against</b>
	No. of shares	No. of shares
	255,608,180	6,602,654

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

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

13.1 Resolution 12 as set out in the AGM Notice was proposed by the Chairman and seconded by Mr Bok Thye Pok.

13.2 The Chairman invited questions from the shareholders.

13.3 Ms Lim Kim Niah queried if any shares had been purchased in the last 5 years pursuant to the share purchase mandate. The CFO responded that the last share purchase under the mandate was in 2009 and no shares were purchased pursuant to the mandate in the past year. Ms Lim inquired about the price at which the shares had been purchased. The CFO replied that he did not have the information offhand but he would find out and provide the answer on SGX's website. There being no questions from the shareholders, the Chairman put Resolution 12 to the vote.

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

<b>Resolution 12</b>	<b>For</b>	<b>Against</b>
	No. of shares	No. of shares
	261,961,144	343,080

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

#### **14 Closure**

14.1 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 12.20 p.m.

#### **15 General Question and Answer Session**

15.1 The Chairman invited general questions from the floor.

15.2 Mr Abraham Saw asked a question regarding the minimum bid spread and commented that the holding of the AGM at its present location during the Formula One week resulted in inconvenience to shareholders. The CEO suggested, since Mr Saw's question on minimum bid spread was technical in nature, that the discussion be taken offline. The CEO informed

Mr Saw that his feedback on the AGM was noted.

- 15.3 Mr Tang Quang Fah referred to a number of S-chips that had been suspended in the last 24 to 36 months due to accounting scandals. Mr Tang queried if SGX could have done more to prevent such incidents and to protect shareholders, as such scandals also damaged the reputation of SGX. Mr Tang also inquired about the Company's investment into its information technology. The Chairman pointed out that S-chips were not the only errant companies and that accounting issues could arise in any company with weak governance and from ill intent. He invited Ms Yeo Lian Sim to respond further to Mr Tang's first question. Ms Yeo replied that SGX had undertaken an analysis of the S-Chip companies that had experienced financial difficulties and discovered that those difficulties typically occurred between 3 to 4 years after listing. Therefore it would have been difficult for SGX to have spotted or foreseen anything at the time of listing. Nonetheless, SGX had looked at possible improvements, such as requiring S-Chip companies to ensure that their boards of directors had the power to replace the legal representatives of PRC companies, and putting out advisories to listed companies to increase directors' awareness of the importance of relevant corporate governance controls. In response to Mr Tang's second question, the CEO confirmed that SGX continually invested time and effort into information technology to ensure that it stayed competitive and to make its systems less vulnerable. He also assured Mr Tang that constant testing and rehearsals were being undertaken to ensure that SGX is primed to act and respond quickly to any technological failures.
- 15.4 Following up on the first answer, Mr Tang wanted to know if SGX was able to put in place rules so that cheque signatory levels for listed companies were set by SGX. The Chairman noted that in principle, all companies should have proper internal control systems in place. The Chairman observed that it would not be practicable to codify good behaviour. Mr Tang asked whether SGX could implement rules such that above a certain amount, one of the cheque signatories had to be an independent director. The Chairman noted that each listed company was required to have an external auditor who would review that company's internal controls and advise the company accordingly. The Chairman invited his fellow director, Mr Kevin Kwok, to speak on the issue from the perspective of an auditor. Mr Kwok said that the requirement on companies to maintain internal accounting controls was governed by the Companies Act and applied to all companies. Mr Kwok observed that it was not SGX's place to impose monetary limits on signatories and that it was up to the board of each company to establish such internal controls.

- 15.5 Mr Sabnani observed that the MediaCorp teletext service would be terminated at the end of the month. He asked if SGX would be interested in sponsoring the service so that it could continue as it was an important resource of information for older shareholders. The Chairman invited Mr Chew Sutat to respond. Mr Chew Sutat pointed out that this was a decision made by MediaCorp and consequently, was not within SGX's control. He highlighted that a similar service was available to shareholders on Starhub's Channel 899.
- 15.6 Mr Bobby Lim asked if SGX reviewed the figures in the accounts disclosed by listed companies for inconsistencies. Ms Yeo responded that each company was responsible for its own accounts and that a company's auditors were best placed to check the numbers as they had access to the company's books. SGX's role was to ensure that information was made publicly available so that the investing public could make its own assessment and to maintain a fair, orderly and transparent market. Picking-up on an earlier question from Mr Lim on the availability of information on SGXNet, Ms Yeo clarified that **historical information of up to 5 years** is available on SGXNet and that the investment industry would consider 5 years as a reasonable time period for analysis. Information prior to that period, although not as convenient to access, is available from the National Library, where they were archived.
- 15.7 Ms Leow Siew Lan asked a question in Mandarin on the teletext services, querying why there was a 10 minute time lag in price display and inquired if the teletext services could be offered by MediaCorp as a paid service for consumers. Mr Richard Teng reiterated, in Mandarin, Mr Chew Sutat's earlier response that the decision to terminate the teletext services was made by MediaCorp and that a similar service continued to be offered on Starhub's Channel 899.
- 15.8 Mr Chiam Heng Hsien alleged that he did not receive the AGM materials and said that SGX should post details of its AGMs on its webpage. The Company Secretary explained that by 20 August 2013 all the AGM materials were available on SGX's website and the AGM Notice was sent out to all shareholders on 26 August 2013. The Company Secretary advised that it was a requirement of the Companies Act that SGX could not accept a proxy form unless it was in the authorised form and that this requirement was for the protection of all shareholders. With respect to the alleged non-receipt of the AGM materials, the Chairman suggested that this be followed-up separately and attended to offline.



- 15.8 The Chairman brought the general question and answer session to a close, thanked all present for their attendance and invited everyone to adjourn for refreshments.

Approved by

A handwritten signature in black ink, appearing to read 'C. Seng', written over a horizontal line.

Chew Choon Seng  
Chairman