

**BURSA MALAYSIA BERHAD**  
(Company No.: 30632 P)

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Minutes of the Extraordinary General Meeting ("EGM") of Bursa Malaysia Berhad ("Bursa Malaysia" or "the Company") held at the Nirwana Ballroom 1, Crowne Plaza Mutiara Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 14 April 2011 at 11.55 a.m. immediately following the conclusion of the Thirty-Fourth (34<sup>th</sup>) Annual General Meeting of the Company, which was held at the same venue and on the same day at 10.00 a.m.

PRESENT

As per Attendance List on Annexure 1.

IN ATTENDANCE

As per Attendance List on Annexure 2.

CHAIRPERSON OF THE MEETING

Tun Mohamed Dzaidin bin Haji Abdullah (Chairman)

QUORUM

There being a quorum, the EGM ("Meeting") was duly convened.

NOTICE OF MEETING

The notice convening the Meeting was tabled and taken as read.

*(It was duly proposed by Encik Poh Sim Gark and seconded by Encik Sang Eng Soon.)*

PRELIMINARY

As at 7 April 2011, being the cut-off date for determining who shall be entitled to attend the Company's EGM, the Company had 25,016 depositors, and the total issued and paid-up capital stood at RM265,699,650 comprising 531,399,300 ordinary shares of RM0.50 each. There were approximately 477 members attending the present Meeting, in person or by proxy at the commencement of the Meeting.

The Circular to Shareholders dated 23 March 2011 in relation to the proposed establishment of a share grant plan of up to ten percent (10%) of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) at any point in time ("Proposed SGP") was taken as read.

**1. SPECIAL RESOLUTION  
PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE  
COMPANY ("PROPOSED AMENDMENT")**

- 1.1 The Chairman informed that the proposed amendment to Clause 5(b)(xii) of the Memorandum of Association of the Company by inserting the words "***and its subsidiaries, as the Company deems fit***" was intended to extend the Proposed SGP to the employees of the subsidiaries of Bursa Malaysia. The Proposed Amendment required a majority of not less than 75% of the members voting in person or by proxy in favour of the special resolution.

*(Special Resolution was duly proposed by Encik Poh Sim Gark and seconded by Encik Sang Eng Soon.)*

- 1.2 In view of the Proposed SGP which was intended to allow Bursa Malaysia to award shares to its employees, a shareholder, Encik Yap Kim Tong with an expectation for increased employees' efforts, proposed that Bursa Malaysia should provide on its website (in addition to newspaper) the information with regard to (a) the dates of all annual general meetings of the companies listed on Bursa Malaysia Securities Berhad, and (b) the dividend entitlement and payment date of those listed companies.

- 1.3 The motion was put to vote by show of hands. The Meeting resolved to pass the following Special Resolution on the Proposed Amendment:

"**THAT** approval be and is hereby given for the Company to amend Clause 5(b)(xii) of the Memorandum of Association of the Company by the inclusion of the words as underlined and set out herein below:

"To provide or subscribe to superannuation funds or such other pension or other funds and to make or establish such arrangements or schemes for the benefit of employees of the Company and its subsidiaries, as the Company deems fit or otherwise, to assist any such employees, their widows, children and dependants"

**AND THAT** the Directors of the Company be and are hereby authorised to do all such acts and things and to take such steps that are necessary to make and give full effect to the Proposed Amendment."

**2. ORDINARY RESOLUTION 1  
PROPOSED ESTABLISHMENT OF A SHARE GRANT PLAN OF UP TO TEN PERCENT  
(10%) OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF THE COMPANY  
(EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME ("PROPOSED SGP")**

- 2.1 The Chairman informed that the Board of Directors ("Board") had engaged Mercer MMC (Marsh Mercer Kroll Guy Carpenter) ("Mercer"), a Human Capital Consultant, to develop a new long-term incentive plan namely, the Proposed SGP, to replace the Employees' Share Option

Scheme ("ESOS") of Bursa Malaysia which expired on 8 March 2010. The Chairman invited a proposer and seconder for the Ordinary Resolution 1.

*(Ordinary Resolution 1 was duly proposed by Puan Ong Li Lee and seconded by Cik Karen Ong Su-Wern.)*

- 2.2 Mr. Fermin Diez of Mercer made a brief presentation on the Proposed SGP for the benefit of the members.

He informed that the Board had approved for ESOS to be replaced by the Proposed SGP, which is made up of awards in the form of performance shares and restricted shares for a selected group of employees, and enhanced bonus for the rest of the employees. He explained that with the recent global financial crisis, many companies particularly from financial sectors had moved away from the use of share options as part of their long-term incentive plan. Share options could potentially lead to excessive risk-taking behaviour which might not be in the shareholders' interest. Excessive risk-taking behaviour would also increase the volatility of the company's share price which contributed towards greater share options value. He also covered the following areas in this presentation:-

- (1) The rationale for implementing the Proposed SGP was to align the interest of employees with the interest of shareholders, to motivate individual behaviour which would ultimately contribute towards increase in overall company value, and also to retain existing performing staff;
- (2) Key objectives of the Proposed SGP i.e.
  - (a) Strong performance emphasis tied to rewards
  - (b) Significantly supports retention
  - (c) Alignment with shareholder interest and corporate governance practices
  - (d) Wealth sharing with employees
  - (e) Simple and transparent
  - (f) Provide competitive and motivational compensation opportunity
- (3) Employees' eligibility for the Proposed SGP and enhanced bonus;
- (4) The annual awards with vesting period of 3 years for each grant;
- (5) Cost of the Proposed SGP to the Company and shareholders based on 3 factors:-
  - (a) Amount of compensation for similar positions in the market at median based on analysis done on the market competitive compensation level;
  - (b) Shareholders' dilution: Maximum number of shares available under the Proposed SGP shall not exceed the aggregate 10% over the plan period of 10 years;
  - (c) Company cost affordability: The estimated accounting cost would be managed within 5% of the annual net profit.

- 2.3 The Meeting deliberated at length on this item. In summary, the issues raised by the shareholders/proxies were responded by Mr. Fermin Diez of Mercer as follows:

- (1) With regard to Encik Abdul Rahim Bidin's enquiry as to whether Bursa Malaysia has in place a comprehensive framework governing the share grant pursuant to the Proposed SGP to mitigate any possibility of abuse, Mercer informed that the employees of Bursa Malaysia and its subsidiaries would have to meet the key performance indicators ("KPIs") set as performance criteria to determine their eligibility for entitlement to the shares under the Proposed SGP.

- (2) With regard to the suggestion that the award of shares to eligible employees should be linked to payment of dividends to shareholders so that shareholders would not be worse off due to lower profits as a result of the award of shares to employees, Mercer explained that the key measurements in determining the grant of shares under the Proposed SGP would be the achievement of (a) targeted growth on non-core business, (b) targeted return on equity ("ROE"), and (c) relative total shareholders' return ("TSR"). All the KPIs would be determined by the Board.
- (3) With regard to Encik Lim Pin Yeong's enquiry on the advantages of the Proposed SGP compared to deferred compensation plan, Mercer informed that the Board had previously considered the deferred compensation plan. Apart from taxation perspective, the key benefit to be derived from the Proposed SGP would be the ability to align the interest of the shareholders and the interest of the Management whereby the share price would drive the right kind of behaviour from the Management in the interest of the shareholders.
- (4) Madam Yip Sok Peng commented that the Circular to Shareholders which was sent to the shareholders did not provide sufficient information for shareholders to make an informed decision, particularly on the performance measurement criteria or KPIs. She enquired on:-
- (a) how the alignment of shareholders' interest could be achieved, and the amount of cost to the Company for such wealth sharing;
  - (b) the difference between performance shares and restricted shares; and
  - (c) who administer the implementation of the Proposed SGP.

She added that the performance of the new Chief Executive Officer ("CEO") should be proven first before seeking the shareholders' approval on the proposed allocation of shares to him under the Proposed SGP. She reiterated that a cash plan would still be more favourable, as it would better reflect the Company's performance.

In response to the above, Mercer explained that the cost to the Company for the Proposed SGP would be managed within 5% of the annual net profit, as mentioned in his earlier presentation.

- (i) The restricted shares have a restriction in time whereby the employee shall be under the employment of the Company at the vesting date, and would be awarded based on individual performance. This would serve to attract and retain talents;
- (ii) The award of performance shares on the other hand would depend on the performance of the Company as a whole and the performance criteria would include growth of non-core business, ROE and relative TSR. Target would be set year-on-year, taking into account several factors such as history, budget, plans and analyst reports. With good corporate governance, the possibility of abuse could be eliminated; and
- (iii) The performance criteria and measurement would be determined by the Nomination and Remuneration Committee of Bursa Malaysia which comprised all Independent Non-Executive Directors of the Company and would be approved by the Board. The Securities Commission would have oversight of the implementation of the Proposed SGP.

- (5) With regard to the extent of benefit to be derived from the key objectives of the Proposed SGP, Mercer explained that apart from the alignment of shareholders' and Management's interests, through the link between the Company's performance and rewards, the Proposed SGP would serve as a retention effort for performing employees, and to provide a competitive compensation benefits to the employees. The Proposed SGP would be for 10 years with vesting period of 3 years for each grant.
- (6) With regard to Madam Loke Bee Thoe's enquiry on the basis of allocation of up to 2,800,000 shares to the CEO, Mercer explained that the share allocation was required as part of the sign-on for the CEO and that the amount proposed for the CEO was similar to what was offered to the former CEO of Bursa Malaysia under the former ESOS. The same criteria and restriction for entitlement to the Proposed SGP as set out in the Circular to Shareholders dated 23 March 2011 would also apply to the CEO.

In response to 2 shareholders' comments on the proposed allocation to the new CEO prior to proven performance, and the need for show performance within 6 months instead of 3 years vesting period, Mr. Fermin Diez replied that Dato' Tajuddin must have performed well during his tenure as Public Interest Director of the Company since 14 July 2008, and therefore the Board with the intention to attract and retain talent, appointed him as the new CEO, to drive the performance of Bursa Malaysia.

Lastly, in response to the question posed by Encik Lim Heng Keen as to whether the Board was fully convinced of the advantages of the Proposed SGP, for the benefit of the employees as well as shareholders, and not at the expense of the shareholders, the Chairman assured the shareholders that the Board had considered the proposal thoroughly and was of the opinion that the Proposed SGP would be beneficial to both the shareholders and employees of the Company.

- 2.4 In response to Madam Yip Sok Peng's request for Ordinary Resolution 1 to be voted by poll, the Chairman referred to Article 54 of the Company's Articles of Association which provided that a poll can be demanded by at least 2 members present in person or by proxy. Another shareholder, Encik Lim Pin Yeong also demanded for voting of Ordinary Resolution 1 to be carried by poll.

With that, the Chairman informed the Meeting that Bursa Malaysia had appointed its Share Registrar, Tricor Investor Services Sdn Bhd ("Tricor") as Poll Administrator to conduct the polling process and its external auditors, Messrs. Ernst & Young ("EY") to act as independent Scrutineers to verify the results of poll. He invited Tricor to record the 2 names in the poll requisition form.

### **3. ORDINARY RESOLUTION 2 PROPOSED ALLOCATION OF PLAN SHARES TO DATO' TAJUDDIN BIN ATAN**

- 3.1 The Chairman informed that Ordinary Resolution 2 on the proposed allocation of Plan Shares to Dato' Tajuddin is subject to the passing of Ordinary Resolution 1 which would be voted by poll. The Chairman invited a proposer and seconder for the Ordinary Resolution 2.

*(Ordinary Resolution 2 was duly proposed by Cik Karen Ong Su-Wern and seconded by Puan Ong Li Lee.)*

- 3.2 The Chairman further informed that he wished to exercise his right as the Chairman of the Meeting to demand for a poll in respect of Ordinary Resolution 2 in accordance with Article 54 of the Company's Articles of Association.

He further invited Tricor, the Poll Administrator to brief on the polling process to be conducted.

#### 4. POLLING PROCESS

- 4.1 Puan Wong Yoke Fun of Tricor announced that the 2 persons who requested for a poll to be carried on Ordinary Resolution 1 were shareholders of the Company, and hence it was in compliance with Article 54 of the Company's Articles of Association.

- 4.2 She explained the procedures for the conduct of poll at the Meeting. Voting slips for the EGM were pre-printed with name, identity card number/company number, and number of shares held.

The shareholders were requested to indicate their votes by marking an "X" in the appropriate box for Ordinary Resolution 1 and Ordinary Resolution 2, and sign on the voting slips for the EGM which were given upon registration. For the proxies, whose voting slips would have been filled according to the voting instruction given by the shareholders appointing them, they were only required to sign on the voting slips. All the voting slips should be placed in the ballot box. The poll vote count would commence after the adjournment of the Meeting and the results of the poll would be verified by the Scrutineers, EY.

- 4.3 The Chairman then declared that the Meeting was adjourned at 12.50 p.m. for the poll vote count, and shall resume at 2.00 p.m. for the declaration of poll results in respect of Ordinary Resolution 1 and Ordinary Resolution 2.

- 4.4 At 2.00 p.m., the Chairman called the Meeting to order for the declaration of results. He informed that he had received the poll results from Tricor and EY, attached as Annexure 3.

- 4.4.1 The Chairman announced the poll results in respect of Ordinary Resolution 1 as follows:-

The number of votes "FOR"	296,437,496 shares or 88.81%
The number of votes "AGAINST"	37,337,641 shares or 11.19%
The number of spoilt votes	6,800 shares

Based on the results, there was a majority of more than 50% of the members voting in person or by proxy. The Chairman declared that the Ordinary Resolution 1 was carried as follows:-

#### **ORDINARY RESOLUTION 1**

#### **PROPOSED ESTABLISHMENT OF A SHARE GRANT PLAN OF UP TO TEN PERCENT (10%) OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME ("PROPOSED SGP")**

"**THAT** subject to all approvals of the relevant authorities for the Proposed SGP being obtained and to the extent permitted by law and the Memorandum and Articles of Association of the Company, the Company be and is hereby authorised:

- (i) to establish, implement and administer a share grant plan for the benefit of the Eligible Employees, and Eligible Executives of Bursa Malaysia and its subsidiaries (excluding subsidiaries which are dormant) ("**Bursa Malaysia Group**") who fulfill the conditions of eligibility for participation in the Proposed SGP in accordance with the By-Laws of the Proposed SGP ("**By-Laws**"), a draft of which is set out in Appendix I of the Circular to Shareholders dated 23 March 2011;
- (ii) to appoint a trustee to facilitate the implementation of the Proposed SGP and authorise the trustee to subscribe for new ordinary shares of RM0.50 each in Bursa Malaysia ("**Bursa Malaysia Shares**") for the purpose of the Proposed SGP;
- (iii) to provide money or other assistance (financial or otherwise), and/or to authorise and/or procure any one or more of the subsidiaries of the Company, to provide money or other assistance (financial or otherwise) from time to time if required to enable the trustee to subscribe for new Bursa Malaysia Shares provided that the Company or any subsidiaries of the Bursa Malaysia Group shall not provide such money or assistance (financial or otherwise) if it would be in breach of any laws of Malaysia and where the lending subsidiary is a foreign corporation, the relevant laws of the place of incorporation of the lending subsidiary;
- (iv) to allot and issue to the Trustee and/or procure the transfer of such number of new Bursa Malaysia Shares pursuant to the Proposed SGP ("**Plan Shares**") from time to time as may be required for the purpose of the Proposed SGP, provided that the total number of Plan Shares to be allotted and issued and/or transferred shall not exceed ten percent (10%) in aggregate of the total issued and paid-up ordinary share capital of Bursa Malaysia (excluding treasury shares) at any point in time throughout the duration of the Proposed SGP;
- (v) to modify and/or amend the Proposed SGP and/or By-Laws from time to time as may be required/permitted by the authorities or deemed necessary by the authorities or the Board of Directors of Bursa Malaysia or any Committee established or appointed by it provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws relating to modifications and/or amendments;
- (vi) to do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed SGP and terms of the By-Laws;

**THAT** the proposed By-Laws of the Proposed SGP, as set out in Appendix I of the Circular to Shareholders dated 23 March 2011, which is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, be and is hereby approved;

**AND THAT** the Board of Directors of the Company be and is hereby authorised to give effect to the Proposed SGP with full power to consent to and to adopt such conditions, modifications, variations and/or amendments (including adopting such modifications, variations and/or amendments to the By-Laws as set out in Appendix I of the Circular to Shareholders dated 23

March 2011) as it may deem fit and/or as may be required by the relevant regulatory authorities.”

4.4.2 The Chairman announced the poll results in respect of Ordinary Resolution 2 as follows:-

The number of votes "FOR"	296,434,496 shares or 88.81%
The number of votes "AGAINST"	37,339,641 shares of 11.19%
The number of spoilt votes	6,800 shares

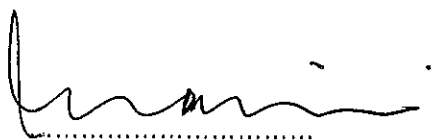
Based on the results, there was a majority of more than 50% of the members voting in person or by proxy. The Chairman declared that the Ordinary Resolution 2 was carried as follows:-

**ORDINARY RESOLUTION 2  
PROPOSED ALLOCATION OF PLAN SHARES TO DATO' TAJUDDIN BIN ATAN**

"**THAT** subject to the passing of Ordinary Resolution 1 above and the approvals of all the relevant authorities for the proposed establishment of a share grant plan of up to ten percent (10%) of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) at any point in time ("**Proposed SGP**"), the Board of Directors of the Company be and is hereby authorised to, at any time and from time to time, cause/procure the offering and the allocation to Dato' Tajuddin bin Atan, the Chief Executive Officer of the Company, of up to two million and eight hundred thousand (2,800,000) new ordinary shares of RM0.50 each in the Company ("**Plan Shares**") which will be vested in him at a future date and to allot and issue and/or procure the transfer of such number of Plan Shares to him, all in accordance with the By-Laws of the Proposed SGP, a draft of which is set out in Appendix I of the Circular to Shareholders dated 23 March 2011."

The Chairman thanked the members for their attendance. The Meeting ended at 2.15 p.m. with a vote of thanks to the Chair.

**Confirmed as correct**



**Chairman**

Date: 14 April 2011