

Minutes of the 40th Annual General Meeting ("AGM") of Bursa Malaysia Berhad ("Bursa Malaysia" or "the Company") held at Ballroom 2, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur Wednesday, 29 March 2017 at 10.00 a.m.

PRESENT

Board of Directors:

Tan Sri Amirsham bin A Aziz

(Chairman)

Datuk Seri Tajuddin bin Atan

(Chief Executive Officer)

Dato' Eshah binti Meor Suleiman

Encik Johari bin Abdul Muid

Datin Mariam Prudence binti Yusof

Dato' Saiful Bahri bin Zainuddin

Datuk Karownikaran @ Karunakaran a/l Ramasamy

Datuk Chay Wai Leong

Encik Ghazali bin Haji Darman

Mr. Pushpanathan a/l S.A. Kanagarayar

Datin Grace Yeoh Cheng Geok

Company Secretaries:

Puan Yong Hazadurah binti Md. Hashim

Ms. Suzanne Hong Soo Yong

The attendance of the Directors, Company Secretaries and members of senior management is as set out in **Annexure 1**.

IN ATTENDANCE

External Auditors : Messrs. Ernst & Young (Dato' Megat Iskandar Shah bin Mohamad Nor, Partner)

Poll Administrator : Tricor Investor & Issuing House Services Sdn Bhd

Scrutineers : Deloitte Enterprise Risk Services Sdn Bhd

The attendance of Members/Corporate Representatives/Proxies is as per Summary of Attendance List in **Annexure 2**.

CHAIRMAN OF THE MEETING

Tan Sri Amirsham bin A Aziz ("Tan Sri Chairman").

QUORUM

There being a quorum, the 40th AGM ("Meeting") was duly convened.

NOTICE OF MEETING

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

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PRELIMINARY

As at 22 March 2017, being the cut-off date for determining who shall be entitled to attend the Company's 40th AGM, the Company had Sixteen Thousand Five Hundred and Two (16,502) depositors, and the total number of issued shares stood at 536,272,400 ordinary shares. There were approximately 1,379 members present in person or by proxy at the commencement of the Meeting.

Tan Sri Chairman introduced each and every member of the Board of Directors ("Board") as well as the Company Secretaries who were in attendance.

Tan Sri Chairman in his opening remarks indicated that Bursa Malaysia had sustained its financial performance in 2016 despite the challenging environment affecting the global exchange business. Higher trading revenues from the Derivatives Market and improved revenue from Market Data segment had helped to cushion the contraction in the Securities trading revenue in 2016. In 2017, the Board and Management would continue to strive to make Bursa Malaysia a more dynamic exchange that provides businesses a platform to raise funds efficiently while dispensing its obligations as a market operator and frontline regulator. Bursa Malaysia would also continue to look at broadening its product and service offerings, and at the same time maintain market governance and the strength of investor protection. Above all, it is the Board's commitment to protect the shareholder value at all times. On behalf of the Board, Tan Sri Chairman expressed his gratitude to the shareholders for their continuous support.

Tan Sri Chairman briefed the Members, corporate representatives and proxies present of their right to speak and vote on the resolutions set out in the Notice of 40th AGM dated 1 March 2017. Tan Sri Chairman informed that:-

- (1) The voting at the 40th AGM would be conducted on a poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements by way of electronic voting ("e-voting"). For this purpose, Tan Sri Chairman exercised his right as the Chairman of the Meeting to demand for a poll in accordance with Article 54 of the Company's Articles of Association ("AA") in respect of all resolutions which would be put to vote at the Meeting.
- (2) The Company had appointed Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") as Poll Administrator to conduct the polling process, and Deloitte Enterprise Risk Services Sdn Bhd ("**Deloitte**") as Scrutineers to verify the poll results. The polling process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the 40th AGM.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE REPORTS OF THE DIRECTORS AND AUDITORS

- 1.1 Tan Sri Chairman tabled the Audited Financial Statements for the financial year ended 31 December 2016 and the Reports of the Directors and Auditors as set out on pages 101 to 118 of the Annual Report 2016.

- 1.2 Tan Sri Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2016 ("FY2016") together with the Reports of the Directors and Auditors as received and duly tabled at the 40th AGM in accordance with Section 340(1)(a) of the Companies Act ("CA") 2016. Tan Sri Chairman explained that the Audited Financial Statements for the FY2016 were for discussion only under Agenda 1, as it did not require shareholders' approval. Hence, it would not be put for voting.
- 1.3 Datuk Seri Tajuddin bin Atan, the Chief Executive Officer ("CEO") of Bursa Malaysia made a brief presentation which covered the following as per **Annexure 3:-**
- (1) 2016 – Performance Overview: Securities Market, Derivatives Market and Islamic Capital Market Developments;
 - (2) Financial Performance: Financial Trends and Growing Shareholder Value; and
 - (3) Moving Forward.
- 1.4 Dato' Megat Iskandar Shah bin Mohamad Nor, the Partner of Messrs. Ernst & Young ("EY") presented the unqualified Report of the Auditors to the shareholders of the Company in respect of the Audited Financial Statements for the FY2016 as set out on pages 107 to 110 of the Annual Report 2016.
- Dato' Megat Iskandar Shah informed that EY had conducted its audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. EY had also fulfilled the responsibilities described in the Auditors' Responsibilities for the Audit of the Financial Statements, including the key audit matters disclosed in the Auditors' Report.
- 1.5 Tan Sri Chairman informed that Bursa Malaysia had responded to the issues raised in the letter dated 24 March 2017 from the Minority Shareholder Watchdog Group ("MSWG") for the 40th AGM. A copy of the said MSWG's letter together with Bursa Malaysia's written reply dated 28 March 2017 was attached as **Annexure 4**.
- For the benefit of the shareholders, the CEO gave a summary of the reply in response to the questions raised in the said MSWG's letter. Thereafter, it was opened to the floor for questions on the Audited Financial Statements for the FY2016, as well as on the management of the Company.
- 1.6 The Meeting deliberated at length on this item. In summary, the issues raised by the shareholders/corporate representatives/proxies were responded by Bursa Malaysia as follows:-
- (1) Mr. Ng S.K. enquired on whether the profit for the year on page 111 of the Annual Report 2016 was under/over-stated on the basis of fair value accounting in adopting the Financial Reporting Standards.
- Mr. Ng S.K. also enquired as to the reason for not allowing short-selling which is currently practised in other markets.

The CEO of Bursa Malaysia, Datuk Seri Tajuddin explained that the Audited Financial Statements had been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the CA.

The current market framework allows Regulated Short Selling within a framework. At the same time, Bursa Malaysia is working on improving securities borrowing and lending and other market access mechanisms. In view of market growth, Bursa Malaysia would consider stepping up, whilst the market management issues are being dealt with to ensure a fair and orderly market.

- (2) Mr. Lim P.Y. congratulated Bursa Malaysia for achieving top 3 in Corporate Governance and Performance. He further thanked the CEO of Bursa Malaysia and MSWG for promoting market confidence.
- (a) Mr. Lim P.Y. highlighted the issue of capability and resources of certain parties appointed to handle the proxy forms for listed companies, and also the accepted mode of submitting proxy forms to avoid the risk of loss or delay in post, as the CA is silent on this matter.
- (i) The Company Secretary, Puan Yong Hazadurah responded that Bursa Malaysia as a listed entity has allowed its Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd to accept submission of proxy forms by fax, of which the originals should be furnished upon registration on the date of AGM.
- (ii) The Chief Regulatory Officer ("**CRO**"), Ms. Yew Yee Tee explained that Bursa Malaysia Securities (or "the Exchange") as a market regulator does not regulate the appointment of share registrars by listed companies under its Listing Requirements ("**LR**"). The onus is on the listed companies to assess and ensure that the appointed share registrars have the capabilities and resources to discharge their functions including handling of proxy forms.

In this regard, the CRO informed that Bursa Malaysia Securities had collaborated with the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) in issuing the AGM Guide which provides best practices for listed companies in conducting AGM, including the handling of proxy forms. Bursa Malaysia Securities had also started conducting advocacy sessions on the AGM Guide for company secretaries.

- (b) Mr. Lim P.Y. then sought clarification if Bursa Malaysia Securities scrutinised the circulars to shareholders. He further quoted an example of a listed company which recently announced its proposed acquisitions of 4 companies in which some corporate information, e.g. directors/shareholders information and information on the target companies, were being excluded in the audited financial statements of the target companies.

The CRO explained that there are 3 types of circulars, i.e. exempt, limited review and full review circulars. The circular to shareholders on proposed acquisitions is a full review circular, of which the disclosures of information would be reviewed by Bursa Malaysia Securities, prior to issuance of the same in accordance to the LR.

The information of directors and substantial shareholders of these target companies are required to be disclosed in the circular to shareholders itself. Hence, as these information are already in the circular itself, the directors' reports of the audited financial statements of the target companies (which essentially contained details of these companies' directors and substantial shareholders) were not required under the LR. Nevertheless, any suggestion for improvement in disclosure of information would be welcomed.

- (c) In response to Mr. Lim P.Y.'s enquiry on the requirement of number of independent non-executive directors on the board of a listed company, the CRO responded that the minimum number of independent directors of a listed company is 2 or 1/3 of the board of directors, whichever is the higher.

- (3) Mr. Wong enquired on Bursa Malaysia's plan for the share premium on page 114 of the Annual Report 2016, following the abolishment of par value under the CA 2016.

Tan Sri Chairman responded that with the implementation of CA 2016 which came into effect on 31 January 2017, the Board would consider options for utilising the share premium within the 24 months period.

- (4) Mr. Ho indicated the benefit of cost savings to minority shareholders if an individual's Central Depository System ("CDS") accounts opened with brokers could be consolidated for easy management.

Bursa Malaysia would look into single CDS accounts as part of its digitalization plan moving forward.

- (a) Mr. Ho enquired if Bursa Malaysia could facilitate a more level playing field for the minority shareholders by providing timely and quality information to investors at large.

In response to this, the CEO informed that all announcement by listed companies made to Bursa Malaysia Securities via Bursa LINK are made available on Bursa Malaysia website. Bursa Malaysia had invested in the system to facilitate expedient dissemination of information. In addition, BursaMktPlc is another source of information for the retail investors to access to research information and opinions. The CEO further informed that Bursa Malaysia had embarked on a proposed research and development program for small to mid-capital companies (funded by Capital Market Development Fund) which was targeted to be launched by the third quarter of 2017.

The CRO further clarified that in instances where Bursa Malaysia detected a listed company making selective disclosure of unpublished material information, enforcement

actions would be taken for contravention of the LR. In addition, where possible insider trading was detected, referrals would be made to the relevant authority i.e. Securities Commission ("SC").

- (b) Mr. Ho further enquired as to whether actions would be taken by Bursa Malaysia Securities in respect of purchase and disposal of shares transacted at a significantly low price, and in the case of profit variance between the audited and unaudited financial statements.

The CRO responded that unless there is evidence of market offences/disorderly trading, Bursa Malaysia would not intervene on trade done on willing buyer willing seller basis.

Under the LR of Bursa Malaysia Securities, the company is obliged to make announcements and provide reasons for material deviations of 10% or more. Unless the deviation was due to circumstances not within the reasonable control of the listed company (e.g. post balance sheet events), the CRO emphasised that the Exchange would view seriously any inaccurate or misleading information to the public, and action would be taken accordingly.

- (5) Mr. Ng enquired on Bursa Malaysia's action plan to reduce the cost to income ratio. The CEO responded that the cost to income ratio had been reducing from 49.3% in 2012 to 46.6% in 2016. At the same time, the Operating Expenses had increased from RM209.2 million to RM239.8 million in 2015, but decreased to RM236.2 million in 2016 (page 2 of the Annual Report 2016). In this respect, cost optimization had taken place. The Board is always mindful to achieve an integrated objective between income generation and developmental growth of the capital market as well as the discharge of its regulatory function.
- (6) Tuan Haji Zainal indicated that the BursaMktPlc should also be provided in the Malay language to cater for some retail investors who are only conversant in Malay.
- (a) Tuan Haji Zainal shared the difficulties in the opening of trading accounts with the participating organisations ("POs") and investment banks ("IBs"), as they impose different requirements on this matter. The requirement to provide copies of savings passbooks was no longer relevant. Hence the printout of the bank statements should be adequate, whilst some POs and IBs required bank officers' verifications on the printouts. He urged the Exchange to streamline and set a standard requirement on the opening of accounts with the POs and IBs.
- (b) Tuan Haji Zainal indicated the need for the balance number of shares to be reflected immediately, on ex-date so as to avoid overselling by mistake.

The CEO responded that the Exchange had played its role in providing the procedures on the opening and closure of trading accounts with the POs and IBs. Nevertheless, the Management would look into this matter for improvement.

- (7) In response to Mr. Michael Lee's enquiry on the criteria of companies under the Regulated Short Selling, the CEO explained that currently about 200 companies qualified for the Regulated Short Selling. There are certain requirements and criteria that the companies must fulfil towards ensuring adequate liquidity of their securities.
- (8) Puan Lya Rahman, the General Manager of MSWG thanked the CEO of Bursa Malaysia for sharing the written response to the MSWG's letter dated 24 March 2017 earlier (under Item 1.5 above). Puan Lya Rahman further congratulated the Board on Bursa Malaysia's achievement as being amongst the top 3 companies in the ASEAN Corporate Governance Scorecard Award and for being exemplary in corporate governance practices. Bursa Malaysia was the only stock exchange that made it to the top 5 in the ASEAN list. She looked forward to Bursa Malaysia to play its influential role for other listed companies to achieve top 50 companies status in the ASEAN region.
- (a) Puan Lya Rahman commended Bursa Malaysia for seeking shareholders' approval in respect of the Directors' remuneration of the Company and its subsidiaries pursuant to Section 230 of the CA 2016.

The Companies Commission of Malaysia had indicated that it was a matter of best practice (not mandatory) to seek shareholders' approval on the Directors' remuneration at subsidiary level. Hence, she suggested that Bursa Malaysia should take steps to influence other listed companies to implement the approach as taken by Bursa Malaysia.

- (b) Puan Lya Rahman sought Bursa Malaysia's view with regard to Section 334(3) of the CA 2016 which provided that in the case of a poll, the proxy forms should be deposited not less than 24 hours before the time appointed for the taking of the poll.

In response to this, the CEO explained that the proxy form of Bursa Malaysia was prepared based on the standard requirement as set out in Article 63 of the AA. Given the transition to the requirement of the CA 2016, the Board would be reviewing the Company's AA to give clarity to the cut-off time for submission of proxy forms moving forward.

- (c) Puan Lya Rahman further enquired whether Bursa Malaysia would be establishing a subsidiary company to address the perceived conflict of interest arising from the dual roles between commercial and regulatory functions, similar to the approach taken by the Singapore Stock Exchange.

The CEO clarified that Bursa Malaysia had established the Regulatory and Conflicts Committee comprising essentially public interest directors and chaired by Tan Sri Chairman to oversee the discharge of the regulatory function of Bursa Malaysia. He further informed of an ongoing discussion with the SC on the need to have a separate entity to discharge the regulatory role.

(9) Mr. Jeremie Ting highlighted with reference to the key audit matters that the Group's goodwill balance at RM42,957,000 over the total assets at RM2,426,352,000 (page 108 of the Annual Report 2016) was only about 1.76%, which was rather insignificant.

(a) Mr. Jeremie Ting commended Bursa Malaysia of maintaining 3.2% dividend yield (page 48 of the Annual Report 2016). However, since the share price had increased from December 2016, the yield had dropped. In this regard, he hoped that dividend payout could be maintained at 94%.

Tan Sri Chairman indicated that the Board would continue its efforts to sustain the Exchange's performance.

(b) With regard to the submission of proxy form, Mr. Jeremie Ting suggested that Bursa Malaysia could perhaps consider the possibility to submit proxy forms via CDS mechanism.

The Company Secretary, Puan Yong Hazadurah thanked Mr. Jeremie Ting for the suggestion, which could be explored by the Management.

(10) Mr. Lim J.T. enquired if the Exchange could do anything to remove those de-listed counters from the CDS statement, instead of requiring depositors to transfer them which cost RM10 for each transfer of shares of such de-listed companies before closing the CDS accounts.

Tan Sri Chairman responded that Bursa Malaysia Depository would need to look at the legal implications of his proposal, and requested the Management to engage him on this matter.

1.7 With that, Tan Sri Chairman concluded the questions and answers session for Agenda 1, and proceeded to the next agenda item.

2. PAYMENT OF FINAL DIVIDEND OF 17 SEN PER SHARE UNDER THE SINGLE-TIER SYSTEM IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2.1 With reference to the Notice of Dividend Entitlement and Payment dated 1 March 2017, the shareholders' approval was sought for the payment of final dividend of 17 sen per share under the single-tier system in respect of the financial year ended 31 December 2016 ("Dividend") under **Resolution 1** at the 40th AGM of the Company. The Dividend would be paid to the shareholders on 18 April 2017 based on entitlement date for the Dividend on 5 April 2017.

2.2 **Resolution 1** on the payment of Dividend was duly proposed by Mr. Lim Pin Yeong and seconded by Ms. Ho Bee Ling.

2.3 Tan Sri Chairman demanded for a poll as the Chairman of the Meeting in accordance with Article 54 of the Company's AA, which would be conducted upon completion of the remaining business of the Meeting.

3. RE-ELECTION OF DIRECTORS IN ACCORDANCE WITH ARTICLE 69 OF THE COMPANY'S ARTICLES OF ASSOCIATION

- 3.1 Tan Sri Chairman informed that 3 Directors who retired by rotation in accordance with Article 69 of the Company's AA were eligible for re-election. The retiring Directors who offered themselves for re-election under Resolutions 2, 3 and 4 respectively were as follows:-

- (1) Datuk Chay Wai Leong (Resolution 2);
- (2) Encik Ghazali bin Haji Darman (Resolution 3); and
- (3) Datuk Seri Tajuddin bin Atan (Resolution 4).

The profiles of the Directors standing for re-election were provided to Members on pages 26 and 28 of the Annual Report 2016, and also in the Statement Accompanying Notice of 40th AGM.

- 3.2 In line with Recommendation 3.1 of the Malaysian Code on Corporate Governance 2012, the Board had conducted the necessary assessment on each of these Directors based on the relevant performance criteria. In this respect, the Board had approved the recommendation of its Nomination and Remuneration Committee ("**NRC**") that these Directors were eligible to stand for re-election.

The SC's concurrence had been obtained pursuant to Section 10(1)(b) of the Capital Markets and Services Act 2007 for all the 3 Directors seeking re-election at this 40th AGM pursuant to Article 69 of the AA.

- 3.3 Tan Sri Chairman sought for proposer and seconder in respect of the re-election of each Director under the following resolutions, which were proposed to be voted on individually, in a separate motion, in accordance with Section 203 of the CA 2016 (or Article 73 of the AA):-

- (1) **Resolution 2** on the proposed re-election of Datuk Chay Wai Leong, was duly proposed by Ms. Ong Li Lee and seconded by Mr. Chuo Kuong Liong;
- (2) **Resolution 3** on the proposed re-election of Encik Ghazali bin Haji Darman, was duly proposed by Ms. Ong Li Lee and seconded by Mr. Tan Ken Tiong; and
- (3) **Resolution 4** on the proposed re-election of Datuk Seri Tajuddin bin Atan was duly proposed Mr. Jeremie Ting Keng Fui and seconded by Mr. Marcellinus Chuo Zung-Jie.

- 3.4 Tan Sri Chairman demanded for a poll as the Chairman of the Meeting in accordance with Article 54 of the Company's AA, which would be conducted upon completion of the remaining business of the Meeting.

4. RE-ELECTION OF DIRECTOR IN ACCORDANCE WITH ARTICLE 76 OF THE COMPANY'S ARTICLES OF ASSOCIATION

- 4.1 Tan Sri Chairman informed that Datin Grace Yeoh Cheng Geok retired in accordance with Article 76 of the Company's AA and who being eligible offered herself for re-election (Resolution 5).

Her profile was provided to Members in Section B of the Statement Accompanying Notice of 40th AGM.

- 4.2 **Resolution 5** on the proposed re-election of Datin Grace Yeoh Cheng Geok, was proposed by Encik Mohd Zulkifli Mustafa and seconded by Ms. Tham Kwan Leng.
- 4.3 Tan Sri Chairman demanded for a poll as the Chairman of the Meeting in accordance with Article 54 of the Company's AA, which would be conducted upon completion of the remaining business of the Meeting.

5. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

- 5.1 Tan Sri Chairman informed that the Board had approved the NRC's recommendation for the payment of Directors' fees amounting to RM150,000 per annum for the Non-Executive Chairman and RM100,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2016, to remain unchanged.
- 5.2 **Resolution 6** on the payment of Directors' fees was proposed by Mr. Jeremie Ting Keng Fui and seconded by Mr. Lee Siew Thong.
- 5.3 Tan Sri Chairman demanded for a poll as the Chairman of the Meeting in accordance with Article 54 of the Company's AA, which would be conducted upon completion of the remaining business of the Meeting.

6. DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES) FROM 1 JANUARY 2017 UNTIL THE NEXT AGM OF THE COMPANY

- 6.1 Tan Sri Chairman informed that pursuant to Section 230(1) of the CA 2016 which came into effect on 31 January 2017, "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, Resolution 7 on the payment of Directors' Remuneration (excluding Directors' Fees) to the Non-Executive Chairman and Non-Executive Directors ("**NEDs**") up to an amount of RM2,343,750 was in respect of the benefits payable to the NEDs of the Company for the period of about 15 months, from 1 January 2017 until the next AGM of the Company. The details of the benefits were as set out in the Board Remuneration Policy, under Note 14 of the Notice of 40th AGM, and as provided in the table:-

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| Description | Chairman | NEDs |
|---|--|---|
| Monthly Fixed Allowance | RM52,000 per month | Not Applicable |
| Other Benefits | Club membership, medical coverage, travel & communication and other claimable benefits | Medical coverage, travel & communication and other claimable benefits |
| Meeting Allowance (per meeting): • Board of Bursa Malaysia • Board of Functional Subsidiary • Board Committees | Chairman RM4,000 RM4,000 RM2,500 | Member RM2,000 RM2,000 RM1,500 |
| Retainer Fee for membership on the Board of Functional Subsidiary (per month) | RM1,000 | RM1,000 |

Note: The Chief Executive Officer/Executive Director does not receive any Directors' remuneration.

- 6.2 Tan Sri Chairman invited the NRC Chairman, Datuk Karownikaran @ Karunakaran a/ Ramasamy, to brief the Members on this resolution, which was tabled at the AGM for the first time.

Datuk Karownikaran indicated that the Board has established a formal and transparent remuneration policy and review process. The Board Remuneration Policy had been reviewed on an annual basis by the Board through the NRC where it considered various factors including the Directors' fiduciary duties, risks, time commitments and statutory duties. The NRC also took into consideration benchmark studies against comparable stock exchanges and listed companies.

The last review was conducted by an external consultant in 2014, to ensure independence of the review process. The Board Remuneration Policy had always been disclosed in the Corporate Governance Statement of the previous years' Annual Reports since 2012, during which shareholders' approval was not required under the CA 1965.

- (1) The estimated amount of **RM2,343,750** as set out in **Resolution 7** was derived from a total of RM1,875,000 for the financial year 2017, and one-fourth (1/4) of the said amount equivalent to **RM468,750** for the period from 1 January 2018 until the next AGM in 2018. This amount was computed taking into account several factors, for example:-
- (a) There would be 11 NEDs on the Board (in view of a Board size of 12);
 - (b) The benefits provided to the Chairman and the rest of the NEDs to facilitate them in carrying out their duties;
 - (c) Under the Governance Model of Bursa Malaysia, the Board has a total of **7 Board Committees** i.e. 3 Governance Committees and 4 Regulatory Committees, to enable the discharge of its governance as well as regulatory responsibilities given that Bursa Malaysia is also a frontline regulator;
 - (d) There are also 4 functional subsidiaries which are responsible to carry out the business of operating the stock exchange, derivatives exchange and their clearing houses.

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- (e) The number of scheduled meetings in 2017 for the Board of Bursa Malaysia and its functional subsidiaries, as well as the Board Committees.

A total of **97** meetings had been scheduled in 2017, for the Governance and Regulatory Committees, Board of Bursa Malaysia and its functional subsidiaries.

| Description of Meeting | No of Scheduled Meetings for 2017 |
|----------------------------------|-----------------------------------|
| Board of Bursa Malaysia | 9 |
| Governance Committees | 24 |
| Regulatory Committees | 44 |
| Board of Functional Subsidiaries | 20 |
| Total in 2017: | 97 |

- (2) It is essential for any Company to ensure its Directors are remunerated at an appropriate level, to commensurate with their responsibilities, commitment and contribution and the remuneration should be sufficient to attract, retain and motivate calibre individuals to serve on the Board.

In view of this, the shareholders' approval was sought for the benefits to be payable to the NEDs of the Company on a monthly basis or as and when the Directors have rendered or performed their services to discharge their responsibilities throughout 2017 and until the next AGM in 2018.

- 6.3 **Resolution 7** on the payment of Directors' remuneration (excluding Directors' fees) was proposed by Ms. Chiew Cindy and seconded by Ms. Ong Li Lee.

- 6.4 The Meeting deliberated on this item. In summary, the issues raised by the shareholders/corporate representatives/proxies were responded to by Bursa Malaysia as follows:-

- (1) Mr. Jeremie Ting viewed that the payment of directors' remuneration should also be made the same way as directors' fees, of which approval should be sought in respect of preceding financial year after services had been rendered. He added that Bursa Malaysia as the frontline regulator should take cognisance of the need to maintain good governance, and hence should err on the side of caution not to allow such practice. Potential abuse through payment of directors' remuneration in advance should be prevented, particularly for companies which are not performing well.
- (2) Mr. Ng A.P. indicated that this is a provision for the Directors' remuneration in advance for payment to be made in the current year as and when the Directors had rendered their services. However, this could be abused in practice.
- (3) Mr. Ho concurred with the above views on the potential abuse by the companies, especially with the support of their substantial shareholders.

- (4) Puan Lya Rahman informed that whilst there is no clear definition in the CA 2016 on directors' benefits, MSWG has no issue in supporting this resolution, based on the view that it would not be fair to the Directors if the services rendered during the year are not paid for until the AGM in the following year. Nevertheless, companies' performance would be taken into account on a case-to-case basis.

In response to the above, Datuk Karunakaran clarified that the Board had undertaken serious discussions and considerations on this matter, taking into account the practices by other comparable exchanges, prior to its decision to recommend Resolution 7. Approval of Directors' remuneration (excluding Directors' fees) was sought for the current year, on the basis of being practical and transparent about the types of remuneration, which would only be paid based on the requirements of the Board or as and when incurred up to an estimated amount. He assured that this would not lead to abuse from the Board of Bursa Malaysia's perspective.

- 6.5 Tan Sri Chairman demanded for a poll as the Chairman of the Meeting in accordance with Article 54 of the Company's AA, which would be conducted upon completion of the remaining business of the Meeting.

7. APPOINTMENT OF AUDITORS

- 7.1 Tan Sri Chairman informed that the Board recommended to the shareholders for approval of the appointment of Messrs. Ernst & Young as Auditors of Bursa Malaysia for the financial year ending 31 December 2017 based on the Audit Committee's recommendation, having regard to the annual assessment of the external auditors.
- 7.2 **Resolution 8** on the proposed appointment of Messrs. Ernst & Young, was duly proposed by Mr. Jeremie Ting Keng Fui and seconded by Ms. Chiew Cindy.
- 7.3 Tan Sri Chairman demanded for a poll as the Chairman of the Meeting in accordance with Article 54 of the Company's AA, which would be conducted upon completion of the remaining business of the Meeting.

8. ANY OTHER BUSINESS

- 8.1 Tan Sri Chairman sought confirmation from the Company Secretary whether the Company had received any notice for transaction of other business which had been given in accordance with the CA 2016 and the Company's AA. The Company Secretary confirmed that the Company had not received any notice for transaction of any other business at the Meeting.
- 8.2 Tan Sri Chairman then declared that the registration for attendance at the 40th AGM closed at 12.40 p.m. He informed that 30 e-voting counters had been set up for the purpose of conducting the poll by way of e-voting. The polling process for the 40th AGM was expected to be concluded in about 30 minutes. The attendees were requested to return to their seats after e-voting for the declaration of the poll results at 1.15 p.m.

9. POLLING PROCESS

- 9.1 Ms. Wong Yoke Fun of Tricor, the Poll Administrator explained the procedures for the conduct of poll at the 40th AGM using Tricor e-voting system. Each of the 30 e-voting counters was equipped with an iPad and a barcode reader. Each shareholder/proxy would be directed to the e-voting counter with his/her personalised passcode slip which was issued during registration for the Meeting.
- 9.2 The Tricor e-voting tutorial video on the e-voting process was played at the Meeting prior to the commencement of e-voting process at 12.45 p.m. The results of the poll were verified by the Scrutineers, Deloitte.

10. ANNOUNCEMENT OF POLL RESULTS

- 10.1 At 1.15 p.m., Tan Sri Chairman called the Meeting to order for the declaration of results. He informed that he had received the poll results from Tricor and Deloitte, attached as **Annexure 5**. Tan Sri Chairman invited Mr. Anthony Tai of Deloitte, to read out the poll results to the members and proxies present.
- 10.2 Payment of Final Dividend of 17 sen per share under the single-tier system in respect of the financial year ended 31 December 2016 (Resolution 1)
Mr. Anthony Tai announced the poll result in respect of **Resolution 1** which was carried as follows:-

| Resolution | FOR | | AGAINST | |
|-----------------------|------------------|----------|------------------|--------|
| | Number of Shares | % | Number of Shares | % |
| Ordinary Resolution 1 | 342,230,514 | 100.0000 | 1 | 0.0000 |

Tan Sri Chairman declared that **Resolution 1** was duly passed as follows:-

"THAT the payment of final dividend of 17 sen per share under the single-tier system in respect of the financial year ended 31 December 2016 be approved."

- 10.3 Re-election of Directors in accordance with Article 69 of the Company's Articles of Association (Resolutions 2 to 4)
- 10.3.1 Mr. Anthony Tai announced the poll result in respect of **Resolution 2** which was carried as follows:-

| Resolution | FOR | | AGAINST | |
|-----------------------|------------------|---------|------------------|--------|
| | Number of Shares | % | Number of Shares | % |
| Ordinary Resolution 2 | 341,262,232 | 99.9598 | 137,083 | 0.0402 |

Minutes of the 40th Annual General Meeting ("AGM") of Bursa Malaysia Berhad ("Bursa Malaysia" or "the Company") held at Ballroom 2, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur Wednesday, 29 March 2017 at 10.00 a.m.

Tan Sri Chairman declared that **Resolution 2** was duly passed as follows:-

"THAT Datuk Chay Wai Leong who retired by rotation in accordance with Article 69 of the Company's Articles of Association, be re-elected as Director of Bursa Malaysia."

10.3.2 Mr. Anthony Tai announced the poll result in respect of **Resolution 3** which was carried as follows:-

| Resolution | FOR | | AGAINST | |
|-----------------------|------------------|---------|------------------|--------|
| | Number of Shares | % | Number of Shares | % |
| Ordinary Resolution 3 | 341,266,232 | 99.9598 | 137,083 | 0.0402 |

Tan Sri Chairman declared that **Resolution 3** was duly passed as follows:-

"THAT Encik Ghazali bin Haji Darman who retired by rotation in accordance with Article 69 of the Company's Articles of Association, be re-elected as Director of Bursa Malaysia."

10.3.3 Mr. Anthony Tai announced the poll result in respect of **Resolution 4** which was carried as follows:-

| Resolution | FOR | | AGAINST | |
|-----------------------|------------------|---------|------------------|--------|
| | Number of Shares | % | Number of Shares | % |
| Ordinary Resolution 4 | 338,804,114 | 99.4253 | 1,958,301 | 0.5747 |

Tan Sri Chairman declared that **Resolution 4** was duly passed as follows:-

"THAT Datuk Seri Tajuddin bin Atan who retired by rotation in accordance with Article 69 of the Company's Articles of Association, be re-elected as Director of Bursa Malaysia."

10.4 Re-election of Director in accordance with Article 76 of the Company's Articles of Association (Resolution 5)

Mr. Anthony Tai announced the poll result in respect of **Resolution 5** which was carried as follows:-

| Resolution | FOR | | AGAINST | |
|-----------------------|------------------|---------|------------------|--------|
| | Number of Shares | % | Number of Shares | % |
| Ordinary Resolution 5 | 341,402,814 | 99.9999 | 501 | 0.0001 |

Tan Sri Chairman declared that **Resolution 5** was duly passed as follows:-

"THAT Datin Grace Yeoh Cheng Geok who retired in accordance with Article 76 of the Company's Articles of Association, be re-elected as Director of Bursa Malaysia."

Minutes of the 40th Annual General Meeting ("AGM") of Bursa Malaysia Berhad ("Bursa Malaysia" or "the Company") held at Ballroom 2, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur Wednesday, 29 March 2017 at 10.00 a.m.

10.5 Directors' fees for the financial year ended 31 December 2016 (Resolution 6)

Mr. Anthony Tai announced the poll result in respect of **Resolution 6** which was carried as follows:-

| Resolution | FOR | | AGAINST | |
|-----------------------|------------------|---------|------------------|--------|
| | Number of Shares | % | Number of Shares | % |
| Ordinary Resolution 6 | 342,155,314 | 99.9798 | 69,201 | 0.0202 |

Tan Sri Chairman declared that **Resolution 6** was duly passed as follows:-

"THAT the payment of Directors' fees amounting to RM150,000 per annum for the Non-Executive Chairman and RM100,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2016 be approved."

10.6 Directors' remuneration (excluding Directors' fees) from 1 January 2017 until the next AGM of the Company (Resolution 7)

Mr. Anthony Tai announced the poll result in respect of **Resolution 7** which was carried as follows:-

| Resolution | FOR | | AGAINST | |
|-----------------------|------------------|---------|------------------|--------|
| | Number of Shares | % | Number of Shares | % |
| Ordinary Resolution 7 | 335,791,476 | 98.4282 | 5,362,139 | 1.5718 |

Tan Sri Chairman declared that **Resolution 7** was duly passed as follows:-

"THAT the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM2,343,750, from 1 January 2017 until the next AGM of the Company be approved."

10.7 Appointment of Auditors (Resolution 8)

Mr. Anthony Tai announced the poll result in respect of **Resolution 8** which was carried as follows:-

| Resolution | FOR | | AGAINST | |
|-----------------------|------------------|---------|------------------|--------|
| | Number of Shares | % | Number of Shares | % |
| Ordinary Resolution 8 | 341,087,414 | 99.6661 | 1,142,601 | 0.3339 |

Tan Sri Chairman declared that **Resolution 8** was duly passed as follows:-

"THAT the appointment of Messrs. Ernst & Young as Auditors of the Company for the financial year ending 31 December 2017 and authorisation to the Board of Directors to determine their remuneration be approved."

Minutes of the 40th Annual General Meeting ("AGM") of Bursa Malaysia Berhad ("Bursa Malaysia" or "the Company") held at Ballroom 2, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur Wednesday, 29 March 2017 at 10.00 a.m.

11. CLOSE OF MEETING

11.1 NOTE OF APPRECIATION TO DATO' SAIFUL BAHRI BIN ZAINUDDIN

On behalf of the Board, Tan Sri Chairman recorded his appreciation to Dato' Saiful Bahri bin Zainuddin, who retired at the conclusion of the 40th AGM in accordance with Article 69 of the Company's AA and pursuant to the implementation of the Board's 9-year policy. The Board recognised his utmost commitment and invaluable contribution to Bursa Malaysia Group during his tenure of service on the Board and Board Committees for the last 8 years and 9 months since his appointment on 27 June 2008.

There being no other business to be transacted, the Meeting ended at 1.20 p.m. with a vote of thanks to the Chair.

Confirmed as correct



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Chairman

Date: 29 March 2017