

NOTICE OF 42ND ANNUAL GENERAL MEETING

BURSA MALAYSIA BERHAD (30632-P)
(INCORPORATED IN MALAYSIA UNDER THE COMPANIES ACT 2016)



NOTICE IS HEREBY GIVEN THAT the 42nd Annual General Meeting (AGM) of Bursa Malaysia Berhad (the Company) will be held at Ballroom 2, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 28 March 2019 at 10.00 a.m. for the transaction of the following business:

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2018 and the Reports of the Directors and Auditors thereon.
2. To re-elect the Director, Datuk Chay Wai Leong who retires by rotation in accordance with Article 18.4 of the Company's Constitution and who being eligible offers himself for re-election.

Resolution 1

Encik Ghazali bin Haji Darman who also retires by rotation in accordance with Article 18.4 of the Company's Constitution, has expressed his intention not to seek re-election. Hence, he will retain office until the close of the 42nd AGM.

3. To re-elect the following Directors who retire in accordance with Article 18.11 of the Company's Constitution and who being eligible offer themselves for re-election:

- (1) Ms. Chong Chye Neo;
- (2) Datuk Muhamad Umar Swift.

Resolution 2
Resolution 3

4. To approve the payment of Directors' fees amounting to RM300,000 per annum for the Non-Executive Chairman and RM200,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2018.

Resolution 4

5. To approve the payment of benefits payable to the Non-Executive Chairperson and Non-Executive Directors up to an amount of RM2,200,000 from 29 March 2019 until the next AGM of the Company.

Resolution 5

6. To appoint Messrs. Ernst & Young as Auditors of the Company for the financial year ending 31 December 2019 and to authorise the Board of Directors to determine their remuneration.

Resolution 6

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 42nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 15.9 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 21 March 2019. Only a depositor whose name appears on the Record of Depositors as at 21 March 2019 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

BY ORDER OF THE BOARD

Yong Hazadurah binti Md. Hashim, LS0006674
Hong Soo Yong, MAICSA 7026744
Company Secretaries

Kuala Lumpur
28 February 2019

Notes:

1. Proxy

- 1.1 Every Member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), and Exempt Authorised Nominees which holds ordinary shares in the Company for multiple owners in one securities account (Omnibus Account), is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the AGM, and that such proxy need not be a Member.
- 1.2 Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- 1.3 The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing, or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of who shall be a director, or its attorney duly authorised in writing. Any alteration to the instrument appointing a proxy must be initialled.
- 1.4 The instrument appointing a proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, no later than Wednesday, 27 March 2019 at 10.00 a.m.
- 1.5 Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of 42nd AGM will be put to vote on a poll.

2. Audited Financial Statements for financial year ended 31 December 2018

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act (CA) 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

3. Ordinary Resolution 1: Re-election of Director who retires in accordance with Article 18.4 of the Company's Constitution

- 3.1 Article 18.4 of the Constitution provides that one-third (1/3) of the Directors of the Company excluding the Public Interest Directors (PIDs) for the time being or if their number is not a multiple of three (3), then the number nearest one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election. Out of the current Board size of ten (10), three (3) are PIDs. Hence, two (2) out of seven (7) Directors of the Company are to retire in accordance with Article 18.4 of the Constitution.
 - (a) For the purpose of determining the eligibility of the Directors to stand for re-election at the 42nd AGM, the Nomination and Remuneration Committee (NRC) has assessed each of the retiring Directors, and considered the following:
 - (i) The Director's performance and contribution based on the Self and Peer Assessment (SPA) results of the Board Effectiveness Evaluation (BEE) 2017/2018;
 - (ii) The Director's level of contribution to the Board deliberations through his skills, experience and strength in qualities; and
 - (iii) The level of independence demonstrated by the Director, and his ability to act in the best interests of the Company in decision-making.

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(b) In line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Board has conducted an assessment of the Directors of the Company based on the relevant performance criteria which include the following:

- (i) Will and ability to critically challenge and ask the right questions;
- (ii) Character and integrity in dealing with potential conflict of interest situations;
- (iii) Commitment to serve the company, due diligence and integrity;
- (iv) Confidence to stand up for a point of view;
- (v) Fit and properness;
- (vi) Calibre and personality;
- (vii) Board dynamics and participation;
- (viii) Competency and capability;
- (ix) Independence and objectivity; and
- (x) Contribution and performance.

Based on the Directors' SPA results of the BEE 2017/2018, the individual Directors met the performance criteria required of an effective and a high performance Board. In addition, each of the Non-Executive Directors (NEDs) has also provided his/her annual declaration/confirmation of independence in the fourth quarter of 2018.

(c) Based on the above, the Board approved the NRC's recommendation that the Directors who retire in accordance with Article 18.4 of the Constitution are eligible to stand for re-election. These two (2) retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.

Encik Ghazali bin Haji Darman did not seek re-election, after having served on the Board of Bursa Malaysia for almost six (6) years since his appointment as Director at the 36th AGM of the Company on 28 March 2013. Hence, he will retain office until the close of the 42nd AGM, and retires in accordance with Article 18.4 of the Company's Constitution.

3.2 Section 10(1)(b) of the Capital Markets and Services Act 2007 (CMSA) provides that the appointment, re-appointment, election or re-election as a Director of the Company is subject to concurrence by the Securities Commission Malaysia (SC). In this respect, the SC's concurrence had been obtained via its letter dated 17 December 2018 on the proposed re-election of the Director (under **Resolution 1**) pursuant to Section 10(1)(b) of the CMSA.

4. Ordinary Resolutions 2 and 3: Re-election of Directors who retire in accordance with Article 18.11 of the Company's Constitution

4.1 Article 18.11 of the Constitution provides that any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

(a) Ms. Chong Chye Neo was appointed as Independent Non-Executive Director of the Company on 21 December 2018. The SC had on 17 December 2018 provided its concurrence on her re-election as Director (under **Resolution 2**) pursuant to Section 10(1)(b) of the CMSA.

(b) Datuk Muhamad Umar Swift was appointed the Chief Executive Director and Executive Director on 11 February 2019 pursuant to Article 24.3 of the Company's Constitution. The SC had on 18 December 2018 provided its concurrence on his re-election as Director (under **Resolution 3**) pursuant to Section 10(1)(b) of the CMSA.

4.2 Any Director referred to in **Resolutions 1 to 3**, who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at the 42nd AGM.

5. Directors' remuneration - fees and benefits payable to the NEDs

5.1 Section 230(1) of the CA 2016 provides amongst others, that "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, the Board agreed that the shareholders' approval shall be sought at the 42nd AGM on the Directors' remuneration in two (2) separate resolutions as below:

- (a) **Resolution 4** on payment of Directors' fees in respect of the preceding year 2018; and
- (b) **Resolution 5** on payment of Directors' benefits from 29 March 2019 to the next AGM in 2020.

5.2 Ordinary Resolution 4: Directors' fees

Following an independent Board remuneration review conducted by an external consultant, Korn Ferry/Hay Group (KFHG) in 2017, the fees for the NEDs had been increased for the financial year (FY) 2017 to attract and retain individuals with strong credentials and high calibre to serve on the Board of the Company. Hence, a review of the Board remuneration policy was conducted internally by the NRC in November 2018, to ascertain the competitiveness of the Board remuneration having regard to various factors including the Board remuneration framework of comparable public listed financial services companies and dominant provider companies in Malaysia as well as other comparable exchanges.

The Board subsequently approved the NRC's recommendation for the Directors' fees in respect of the FY 2018 to remain unchanged i.e. same as the fees approved for the FY 2017, as they are still competitive and at par with the prevalent market rate.

The payment of the NEDs' fees in respect of the preceding FY 2018 will only be made if the proposed **Resolution 4** has been passed at the 42nd AGM pursuant to Article 19.1 of the Company's Constitution and Section 230(1)(b) of the CA 2016.

5.3 Ordinary Resolution 5: Benefits payable to the NEDs

The benefits payable to the NEDs comprise the allowances and other emoluments payable to the Chairman and members of the Board, Board of subsidiaries and Board Committees.

- (a) At the 41st AGM of the Company held on 28 March 2018, the benefits payable to the NEDs of the Company from 29 March 2018 until the 42nd AGM of the Company on 28 March 2019 was approved for an amount of up to RM2,400,000. The utilisation of this approved amount as at 31 December 2018 is RM1,500,336. Based on the schedule of meetings in the first quarter of 2019, an amount of RM546,765 is expected to be utilised for payment of meeting allowance and other benefits to the NEDs. Hence, the expected total utilised amount would be approximately 85% of the approved amount.

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- (b) Based on the Board Remuneration Review conducted by KFHG in 2017, the Directors' benefits were revised to commensurate with the Directors' responsibilities, commitment and contribution with reference to their statutory duties, the complexity of the Group's businesses and the increased expectations from various stakeholders, given the unique nature of Bursa Malaysia being a regulator and a listed entity. The current benefits payable to the NEDs are summarised in the table below:

| Description | Chairperson | NEDs / Member |
|---|--|---|
| Meeting Allowance (per meeting) | | |
| Board of Bursa Malaysia | RM3,000 | RM3,000 |
| Board of Functional Subsidiary | RM3,000 | RM3,000 |
| Board Committees | RM3,000 | RM3,000 |
| Fixed Allowance | | |
| Board of Functional Subsidiary | RM20,000 per annum | RM12,000 per annum (RM1,000 per month) |
| Board Governance Committees | RM20,000 per annum | RM12,000 per annum (RM1,000 per month) |
| Board Regulatory Committees | RM20,000 per annum | RM12,000 per annum (RM1,000 per month) |
| Monthly Fixed Allowance [Note 1] | RM52,000 | Not Applicable |
| Other Benefits | Club membership, medical coverage, travel and other claimable benefits | Medical coverage, travel and other claimable benefits |

Note:

1. Monthly fixed allowance to the Chairperson of Bursa Malaysia being an Exchange Holding Company and listed entity is made, in recognition of the significant roles in leadership and oversight, and the wide-ranging scope of responsibilities expected of her, as well as the fact that she does not serve on the boards of any other listed companies or market participants regulated by Bursa Malaysia.
 2. The Chief Executive Officer/Executive Director does not receive any Directors' remuneration.
- (c) The total amount of benefits payable to the NEDs is estimated to be up to RM2,200,000 from 29 March 2019 to the next AGM in 2020 (Current Period), based on the current Board Remuneration Policy and taking into account various factors including the number of scheduled meetings for the Board, Board of subsidiaries and Board Committees as well as the number of NEDs involved in these meetings. This amount is lower than the approved amount at the 41st AGM which was up to RM2,400,000.

Payment of benefits to the NEDs will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred, if the proposed **Resolution 5** has been passed at the 42nd AGM. The Board is of the view that it is just and equitable for the NEDs to be paid the Directors' remuneration (excluding Directors' fees) on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the Current Period.

- 5.4 Any NEDs who are shareholders of the Company will abstain from voting on **Resolutions 4 and 5** concerning remuneration to the NEDs at the 42nd AGM.

6. Ordinary Resolution 6: Appointment of Auditors

6.1 The Audit Committee (AC) at its meeting held on 28 January 2019 undertook an annual assessment of the suitability and independence of the external auditors, Ernst & Young (EY) in accordance with the revised Auditor Independence Policy of the Group which was approved by the Board in April 2016. In its assessment, the AC considered several factors which include the following:

- (a) Quality of EY's performance and their communications with the AC and Bursa Malaysia group, based on feedback obtained via assessment questionnaires from Bursa Malaysia personnel who had substantial contact with the external audit team and EY throughout the year;
- (b) Adequacy of experience and resources provided to the Group by EY, in terms of the firm and the professional staff assigned to the audit; and
- (c) Independence of EY and the level of non-audit services to be rendered by EY to the Company for the FY 2019.

The AC also took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at the private meetings, which demonstrated their independence, objectivity and professionalism.

6.2 The AC was satisfied with the suitability of EY based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC was also satisfied in its review that the provisions of non-audit services by EY to the Company for the FY 2018 did not in any way impair their objectivity and independence as external auditors of Bursa Malaysia.

6.3 The Board at its meeting held on 30 January 2019 approved the AC's recommendation for the shareholders' approval to be sought at the 42nd AGM on the appointment of EY as external auditors of the Company for the FY 2019, under **Resolution 6**.

STATEMENT ACCOMPANYING NOTICE OF 42ND ANNUAL GENERAL MEETING

(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

A. The profile of the Director who is standing for re-election as per Agenda 2 of the Notice of 42nd AGM is as follows:

| | Resolution 1 |
|--|--|
| | Datuk Chay Wai Leong Independent Non-Executive Director |
| Nationality/Age/Gender: | Singaporean/55/Male Permanent Resident of Malaysia |
| Date of Appointment: | 28 March 2013 |
| Length of Service (as at 28 February 2019): | 5 years 11 months |
| Date of Last Re-election: | 29 March 2017 |
| Academic/Professional Qualification(s): | <ul style="list-style-type: none"> • Bachelor of Business Administration, National University of Singapore |
| Present Directorship(s): | <p>Listed entity: Nil</p> <p>Other public companies:</p> <ul style="list-style-type: none"> • Bursa Malaysia Derivatives Berhad • Bursa Malaysia Derivatives Clearing Berhad • K & N Kenanga Holdings Berhad • Kenanga Vietnam Securities Joint Stock Corporation • Securities Industry Development Corporation |
| Present Appointment(s): | <ul style="list-style-type: none"> • Group Managing Director, Kenanga Investment Bank Berhad |
| Past Directorship(s) and/or Appointment(s): | <ul style="list-style-type: none"> • Executive Director, Kenanga Investment Bank Berhad (May 2011-January 2017) • Managing Director, RHB Investment Bank Berhad and Director of Corporate & Investment Banking, RHB Banking Group (2006-2011) • Country Head, Malaysia and Head of Regional Origination for Southeast Asia, Standard Bank Group (2002-2006) • Director, Head of Investment Banking Malaysia, JP Morgan Chase Bank (2000-2002) • Director of Investment Banking, Jardine Fleming in Hong Kong (1990-2000) • Senior Investment Analyst, Bankers Trust in Singapore (1987-1990) |

Datuk Chay Wai Leong does not hold any shares in Bursa Malaysia, has no family relationship with any Director and/or major shareholder of Bursa Malaysia, has no conflict of interest with Bursa Malaysia and has not been convicted of any offence within the past five years and has not been imposed any penalty by the relevant regulatory bodies during the financial year 2018.

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(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

B. The profiles of the Directors who are standing for re-election as per Agenda 3 of the Notice of 42nd AGM are as follows:

| | Resolution 2 |
|--|---|
| | Chong Chye Neo Independent Non-Executive Director |
| Nationality/Age/Gender: | Malaysian/56/Female |
| Date of Appointment: | 21 December 2018 |
| Length of Service (as at 28 February 2019): | 2 months |
| Academic/Professional Qualification(s): | <ul style="list-style-type: none"> • Bachelor of Science (Hons) in Computer Science, Universiti Sains Malaysia • Executive Education, Harvard Business School |
| Present Directorship(s): | <p>Listed entity: Hong Leong Bank Berhad</p> <p>Other public companies: Nil</p> |
| Present Appointment(s): | <ul style="list-style-type: none"> • Honorary Member, American Malaysian Chamber of Commerce |
| Past Directorship(s) and/or Appointment(s): | <ul style="list-style-type: none"> • Managing Director/ Chief Executive Officer, IBM Malaysia Sdn Bhd (1 October 2015 - 31 December 2018) • Director, Kenexa Technologies Sdn Bhd (15 September 2015 - 31 December 2018) • Director, IBM Global Delivery Centre (Malaysia) Sdn Bhd (15 September 2015 - 31 December 2018) • Client Director, Financial Services Sector, IBM Malaysia Sdn Bhd (2014-2015) • Director, Intellectual Property – ASEAN, IBM Research (2011-2012) • Director, Business Partners & Alliances, IBM ASEAN (2009-2010) • Director, Mid Market, IBM ASEAN/ South Asia (2007-2008) • General Manager, Storage Systems Group, IBM ASEAN/ South Asia (2005-2006) • Regional Leader, Marketing, IBM ASEAN (2004) • Country Head, Enterprise Systems Group, IBM Malaysia Sdn Bhd (2002-2003) • Regional Marketing Manager, Enterprise Systems Group, IBM ASEAN (2001) • Various roles in IBM (engineering, sales, marketing and operations in Malaysia). Asia Pacific sales roles covering Japan, Korea, Greater China Group, ASEAN/ South Asia, Australia/ New Zealand (1989-2001) • Software Development Engineer, Hewlett Packard Malaysia (1986-1989) |

Ms. Chong Chye Neo does not hold any shares in Bursa Malaysia, has no family relationship with any Director and/or major shareholder of Bursa Malaysia, has no conflict of interest with Bursa Malaysia and has not been convicted of any offence within the past five years and has not been imposed any penalty by the relevant regulatory bodies during the financial year 2018.

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(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

B. The profiles of the Directors who are standing for re-election as per Agenda 3 of the Notice of 42nd AGM are as follows:
(Cont'd.)

| | Resolution 3 |
|---|--|
| | Datuk Muhamad Umar Swift Chief Executive Officer, Non-Independent Executive Director |
| Nationality/Age/Gender: | Australian/54/Male Permanent Resident of Malaysia |
| Date of Appointment: | 11 February 2019 |
| Length of Service (as at 28 February 2019): | 1/2 month |
| Academic/Professional Qualification(s)/ Membership(s): | <ul style="list-style-type: none"> • Bachelor of Economics, Monash University, Australia • Graduate Diploma in Applied Finance and Investment, Securities Institute of Australia • Associate Member, Institute of Chartered Accountants, Australia • CPA Australia • Fellow Member, Taxation Institute of Australia • Fellow Member, Financial Services Institute of Australasia, Australia • Chartered Accountant, Malaysian Institute of Accountants • Registered Member, Malaysian Financial Planning Council |
| Present Directorship(s): | Listed entity: Nil Other public companies: <ul style="list-style-type: none"> • Bursa Malaysia Berhad Group |
| Past Directorship(s) and/or Appointment(s): | <ul style="list-style-type: none"> • Chief Executive Officer (CEO)/Group Managing Director, MAA Group Berhad (7 September 2006 - 8 February 2019) • Director, Columbus Capital Pty Limited (6 October 2006 - 27 December 2018) • Director, MAA General Assurance Philippines, Inc (26 March 2015 - 8 February 2019) • Director, MAA International Group (10 March 2017 - 8 February 2019) • Director, MCIS Insurance Berhad (17 October 2018 - 31 January 2019) • Member, Board of Trustees, MAA Medicare Charitable Foundation (13 July 2006 - 8 February 2019) • Member, Board of Trustees, The Budimas Charitable Foundation (8 April 2013 - 8 February 2019) • Member, Board of Trustees, Anaho Foundation (18 November 2013 - 8 February 2019) • Non-Independent Non-Executive Director, MAA Takaful Berhad (May 2007-June 2016) • Director, MAAKL Mutual Berhad (March 2008-December 2013) • Director, Federation of Investment Managers Malaysia (2012-2014) • CEO, Malaysian Assurance Alliance Berhad (August 2008-September 2011) • Deputy CEO, Malaysian Assurance Alliance Berhad (June 2006-July 2008) • Head, Enterprise Financial Services Group, Malayan Banking Berhad (April 2004-May 2006) • Director, Mayban Allied Credit & Leasing Sdn Bhd (August 2005-April 2006) • Director, Mayban Ventures Sdn Bhd (2004 to December 2005) • Practice Leader, Utilities Business, Deloitte Consulting in Malaysia (September 2003-March 2004) • CEO, Gas Malaysia Sdn Bhd (July 1997-December 2002) • General Manager, Corporate Finance, Gas Malaysia Sdn Bhd (January 1996-June 1997) • Manager Corporate Banking, Bank of Singapore (Australia) Limited (January 1994-December 1995) • Manager Corporate Finance, Bank of Singapore (Australia) Limited (November 1992-December 1993) • Manager, Corporate Recovery, Price Waterhouse (July 1990-November 1992) • Audit Senior, Price Waterhouse (January 1986-June 1990) |

Datuk Muhamad Umar Swift does not hold any shares in Bursa Malaysia, has no family relationship with any Director and/or major shareholder of Bursa Malaysia, has no conflict of interest with Bursa Malaysia and has not been convicted of any offence within the past five years and has not been imposed any penalty by the relevant regulatory bodies to date.

Save for the Chief Executive Officer and Executive Director, all the Non-Executive Directors satisfy the criteria of an independent director as defined under Bursa Malaysia Securities Berhad Main Market Listing Requirements, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company, and also being independent of its major shareholders.