

# NOTICE OF 40<sup>TH</sup> ANNUAL GENERAL MEETING



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

**NOTICE IS HEREBY GIVEN THAT** the 40<sup>th</sup> Annual General Meeting (“AGM”) of Bursa Malaysia Berhad (“the Company”) will be held at Ballroom 2, 1<sup>st</sup> Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 29 March 2017 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 2016 and the Reports of the Directors and Auditors thereon.
2. To approve 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. **Resolution 1**
3. To re-elect the following Directors who retire by rotation in accordance with Article 69 of the Company’s Articles of Association and who being eligible offer themselves for re-election:
  - (1) Datuk Chay Wai Leong **Resolution 2**
  - (2) Encik Ghazali bin Haji Darman **Resolution 3**
  - (3) Datuk Seri Tajuddin bin Atan **Resolution 4**

Dato’ Saiful Bahri bin Zainuddin retires by rotation as a Director in accordance with Article 69 of the Company’s Articles of Association at the conclusion of this 40<sup>th</sup> AGM. [Refer Note 10]
4. To re-elect Datin Grace Yeoh Cheng Geok who retires in accordance with Article 76 of the Company’s Articles of Association and who being eligible offers herself for re-election. **Resolution 5**
5. To approve 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. **Resolution 6**
6. To approve 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. **Resolution 7**
7. To appoint Messrs. Ernst & Young as Auditors of the Company for the financial year ending 31 December 2017 and to authorise the Board of Directors to determine their remuneration. **Resolution 8**
8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Articles of Association.

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend this 40<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 49A(2) of the Company’s Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 22 March 2017. Only a depositor whose name appears on the Record of Depositors as at 22 March 2017 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the shareholders’ approval 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 40<sup>th</sup> AGM of the Company, the Dividend will be paid to the shareholders on 18 April 2017. The entitlement date for the Dividend shall be 5 April 2017.

Shareholders of the Company will only be entitled to the Dividend in respect of:

- (a) securities transferred into their securities account before 4.00 p.m. on 5 April 2017 for transfers; and
- (b) securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

## BY ORDER OF THE BOARD

Yong Hazadurah binti Md. Hashim, LS 006674  
Hong Soo Yong, MAICSA 7026744  
Company Secretaries

Kuala Lumpur  
1 March 2017

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## NOTES:

### Proxy

1. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar of Companies.
2. In the case of a corporate member, the instrument appointing a proxy shall be (a) under its Common Seal or (b) under the hand of a duly authorised officer or attorney and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.
3. A member shall not, subject to Paragraphs (4) and (5) below, be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, each proxy appointed shall represent a minimum of 100 shares and such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
4. Where a member is an authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
5. Where a member is an exempt authorised nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
6. Any alteration to the instrument appointing a proxy must be initialled. 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, not less than 48 hours before the time appointed for holding the meeting.

### Audited Financial Statements for financial year ended 31 December 2016

7. 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.

### Final dividend

8. With reference to Section 131 of the CA 2016, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 3 February 2017, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 18 April 2017 in accordance with the requirements under Section 132(2) and (3) of the CA 2016.

### Re-election of Directors who retire in accordance with Article 69 of the Company's Articles of Association ("AA")

9. Article 69 of the AA provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. With the current Board size of eleven (11), four (4) Directors are to retire in accordance with Article 69 of the AA.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 40<sup>th</sup> AGM, the Nomination and Remuneration Committee ("NRC") has considered the following:

- (1) The performance and contribution of each of the Directors based on their Self and Peer Assessment ("SPA") results of the Board Effectiveness Evaluation 2015/2016;
- (2) The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities; and
- (3) The level of independence demonstrated by each of the Non-Executive Directors ("NEDs"), and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

In line with Recommendation 3.1 of the Malaysian Code on Corporate Governance ("MCCG") 2012, the Board has conducted an assessment of independence of the NEDs, and also other criteria i.e. character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The individual Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance. Each of the NEDs has also provided his/her annual declaration/confirmation of independence in the fourth quarter of 2016.

The Board approved the NRC's recommendation that the Directors who retire in accordance with Article 69 of the AA are eligible to stand for re-election. All these retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.

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 ("SC"). In this respect, the SC has provided its concurrence in respect of the proposed re-election of the Directors of the Company pursuant to Section 10(1)(b) of the CMSA.

### Retirement of Director

10. Dato' Saiful Bahri bin Zainuddin who was appointed as Director of the Company on 27 June 2008 will retire in accordance with Article 69 of the AA. He will not seek re-election pursuant to the implementation of the Board's 9-year policy and in line with Recommendation 3.2 of the MCCG 2012. Hence, he will retain office until the close of the 40<sup>th</sup> AGM.

### Re-election of Director pursuant to Article 76 of the Company's AA

11. Article 76 of the AA provides amongst others, that the Board shall have the power to appoint any person to be a Director to fill a casual vacancy or as an addition to the existing Board, and that any Director so appointed shall hold office until the next following AGM and shall then be eligible for re-election.

Accordingly, Datin Grace Yeoh Cheng Geok who was appointed as an Independent Non-Executive Director of Bursa Malaysia on 24 February 2017, shall hold office until the 40<sup>th</sup> AGM and shall then be eligible for re-election pursuant to Article 76 of the AA.

With this appointment, the Board of Bursa Malaysia has achieved its target of three (3) women Directors, in line with the country's aspirational target of 30% representation of women on boards.

### Directors' remuneration

12. 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 40<sup>th</sup> AGM on the Directors' remuneration in two (2) separate resolutions as below:

- **Resolution 6** on payment of Directors' fees in respect of the preceding year 2016; and
- **Resolution 7** on payment of Directors' remuneration (excluding Directors' fees) in respect of the current year 2017 and until the next AGM ("Relevant Period").

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## Directors' fees

13. The fees for the NEDs had been increased for the financial year ("FY") 2014 following an independent Board remuneration review conducted by an external consultant in 2014. In 2015, the Board decided that the Directors' fees for FY 2015 be maintained as the previous FY given the recent review by the external consultant.

In 2016, a review of the Board remuneration policy was conducted internally by the NRC, to ascertain the competitiveness of the Board remuneration having regard to various factors including the Board remuneration framework of comparable public listed companies ("PLCs") in Malaysia as well as other comparable exchanges. The Board subsequently approved the NRC's recommendation for the Directors' fees to remain unchanged in respect of the FY 2016 as the same are still competitive and at par with the prevalent market rate, as set out in the table below:

Directors' Fees (as approved at AGMs)	2004 to 2008 (5 consecutive years)	2009 to 2013 (5 consecutive years)	2014, 2015 & Proposed for 2016 (Approval sought at 40 <sup>th</sup> AGM)
Non-Executive Chairman	RM60,000 per annum	RM90,000 per annum	RM150,000 per annum
Non-Executive Director	RM40,000 per annum	RM60,000 per annum	RM100,000 per annum

The payment of the NEDs' fees in respect of the FY 2016 will only be made if the proposed **Resolution 6** has been passed at the 40<sup>th</sup> AGM pursuant to Article 78 of the AA and Section 230(1)(b) of the CA 2016.

## Directors' remuneration (excluding Directors' fees)

14. The Directors' remuneration (excluding Directors' fees) comprises the allowances and other emoluments payable to the Chairman and members of the Board, Board of subsidiaries and Board Committees. The NEDs' current remuneration policy is as set out below:

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)	<b>Chairman</b>	<b>Member</b>
• Board of Bursa Malaysia	RM4,000	RM2,000
• Board of Functional Subsidiary	RM4,000	RM2,000
• Board Committees	RM2,500	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.

The monthly fixed allowance is given to the Chairman of Bursa Malaysia as an Exchange Holding Company, in recognition of the significant roles in leadership and oversight, and the wide-ranging scope of responsibilities expected of him, as well as the fact that he does not serve on the boards of any other PLCs or market participants regulated by Bursa Malaysia.

In determining the estimated total amount of remuneration (excluding Directors' fees) for the NEDs including the Non-Executive Chairman of the Board of Bursa Malaysia, the Board considered 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. The estimated amount of RM2,343,750 for the Relevant Period is derived from a total of RM1,875,000 for the FY 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.

Payment of the NEDs' remuneration (excluding Directors' fees) will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred if the proposed **Resolution 7** has been passed at the 40<sup>th</sup> 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 Relevant Period.

## Appointment of Auditors

15. The Audit Committee ("AC") at its meeting held on 23 January 2017 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:

- 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;
- 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
- Independence of EY and the level of non-audit services to be rendered by EY to the Company for the FY 2017.

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.

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 2016 did not in any way impair their objectivity and independence as external auditors of Bursa Malaysia.

The Board at its meeting held on 3 February 2017 approved the AC's recommendation for the shareholders' approval to be sought at the 40<sup>th</sup> AGM on the appointment of EY as external auditors of the Company for the FY 2017, under **Resolution 8**.

## Abstention from Voting

16. Any Director referred to in **Resolutions 2, 3, 4 and 5**, who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at the 40<sup>th</sup> AGM. In this respect, only the Executive Director, Datuk Seri Tajuddin bin Atan is a shareholder of Bursa Malaysia. He shall abstain from voting on **Resolution 4**.
17. Any NEDs of the Company who are shareholders of the Company will abstain from voting on **Resolutions 6 and 7** concerning remuneration to the NEDs at the 40<sup>th</sup> AGM.