



No. 07 of 2008
2008

Jan 31st,
2008

MINUTES OF SAFE's 7 th ANNUAL GENERAL MEETING
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1. The 7th Annual General Meeting of SAFE was held at the Dhaka Sheraton Hotel, Bangladesh, on Jan 31st, 2008. The meeting was attended by the authorised representatives of the following members of SAFE:

- | | | |
|---|---|------------------|
| 1) Bombay Stock Exchange Ltd. | - | Primary Member |
| 2) Chittagong Stock Exchange | - | Primary Member |
| 3) Dhaka Stock Exchange Limited
Member | - | Primary |
| 4) Islamabad Stock Exchange | - | Primary Member |
| 5) Karachi Stock Exchange
Member | - | Primary |
| 6) Lahore Stock Exchange
Member | - | Primary |
| 7) National Stock Exchange of India Limited | - | Primary Member |
| 8) Nepal Stock Exchange Limited
Member | - | Primary |
| 9) The Stock Exchange of Mauritius Limited | - | Primary Member |
| 10) Central Depository Bangladesh Limited
Member | - | Associate |
| 11) National Clearing Company of Pakistan Limited | - | Associate Member |

2. Regrets were duly recorded from the following member entities:

- | | | |
|---|---|------------------|
| 1) Colombo Stock Exchange | - | Primary Member |
| 2) Maldives Stock Exchange
Member | - | Primary |
| 3) National Commodity Exchange Limited, Pakistan | - | Primary Member |
| 4) Royal Securities Exchange of Bhutan
Member | - | Primary |
| 5) Central Depository Services (of India) Limited
Member | - | Associate |
| 6) National Securities Clearing Corporation Limited | - | Associate Member |
| 7) National Securities Depository Limited
Member | - | Associate |

3. The attending members were represented by the following authorized representatives:

- | | |
|---------------------------|---------------------------------|
| 1) Mr. Rajnikant Patel | Chairman SAFE & MD/CEO BSE |
| 2) Mr. Ahmed Rashid Lalli | Vice Chairman SAFE and SEVP DSE |
| 3) Mr. Adnan Afridi | MD/CEO Karachi Stock Exchange |

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|----------------------------|-------------------------------------|
| 4) Mr. Sunil Benimadhu | CEO The Stock Exchange of Mauritius |
| 5) Mr. Abu Bakar Siddiqui | CEO Chittagong Stock Exchange |
| 6) Mr. Rewat Bahadur Karki | GM Nepal Stock Exchange |
| 7) Mr. Mian Shakeel Aslam | GM Lahore Stock Exchange |
| 8) Mr. K. Hari | VP National Stock Exchange of India |
| 9) Mr. M Habibus Samad | CEO Central Depository Bangladesh |
| 10) Mr. Muhammad Lukman | CEO NCCPL |
| 11) Mr. Aftab Ahmad Ch. | Secretary General SAFE & MD ISE |

4. In attendance:

- 1) Mr. Sanjay Saksena, Chief General Manager of BSE.
- 2) Ms. Sanam Shadani, Deputy Secretary General SAFE.
- 3) Syed Nayyer Ashfaq, Manager Accounts & Office Support SAFE.

Proceedings of the Meeting

1. The Chairman SAFE welcomed the participants of the meeting and thanked them for taking time out to attend the meeting. At the outset, he also expressed his appreciation for Mr. Ahmed Rashid Lalli for the excellent arrangements made by Dhaka Stock Exchange for the hosting of the conference. He proposed a vote of thanks for Dhaka Stock Exchange, which was unanimously recorded by the General Assembly.
2. Thereafter, the Chairman started the proceedings of the meeting agenda wise.

Agenda Item # 1: Ratification of Previous Minutes

1. The Chairman stated that the recorded minutes of the last 6th AGM held on 17th November 2006 in Colombo, Sri Lanka had been circulated with the agenda papers of the meeting. He further said that as the meetings of the General Assembly are held at infrequent intervals, therefore it would be best if SAFE follows a policy of providing a run down of the proceedings of the last meeting to the participants so as to keep them informed about the business conducted at the general body meetings of SAFE. All agreed. Thereafter, he asked the SG to brief the meeting about the business transacted during the last meeting. The SG accordingly gave a short briefing to the General Assembly about the proceedings of the last meeting.
2. Subsequently, on the proposal of Mr. Ahmed Rashid Lalli, duly seconded by Mr. Rewat Bahadur Karki, the minutes of the 6th AGM were ratified by the general assembly, and the General Assembly passed the following resolution:

“Resolved that the minutes of the 6th AGM of SAFE, be and are hereby ratified.”

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Agenda Item # 2: Chairman's Review and EC Report to the General Assembly on the financial statements and other activities of SAFE

1. The Chairman informed the meeting that as per SAFE's Charter (Article 9.4.3), the activities of the Executive Committee are to be reported to the General Assembly by the Chairman of the Executive Committee or by the Secretariat at any regular or special meeting of the General Body. Accordingly, he read out the Chairman's Review and EC Report to the General Assembly on the Financial Statements and other activities of SAFE for the year 2007. A copy of the said review is appended with these minutes as **Exhibit-A.**
2. Mr. Ahmed Rashid Lalli expressed his appreciation for the progress made by SAFE during the period under review. He especially expressed his satisfaction for the growing financial strength of SAFE and informed the meeting that SAFE was gaining strength because of some effective long term policies introduced by the EC during the last one year or so. Mr. Karki also appreciated the financial and operational performance of SAFE during the outgoing year.
3. On a vote proposed by Mr. Adnan Afridi, duly seconded by Mr. Habibus Samad, the report was duly adopted by the General Assembly, which passed the following resolutions in this regard:

"Resolved that the Chairman's Review and EC report to the General Assembly on the financial statements and other activities of SAFE for the year 2007, be and is hereby adopted;"

"Further resolved that the Chairman SAFE, the Secretary General and all EC members, be and are hereby lauded for the excellent performance of SAFE during the year 2007."

Agenda Item # 3: Ratification of the Joint Marketing Agreement signed between SAFE and Dow Jones on 9th of January 2008

1. The Chairman informed the meeting that the idea for the launch of distinct index for the South Asian markets had been conceived during the 6th annual general body meeting of SAFE held in Colombo during November 2006. He stated that during the meeting, the SAFE Secretariat was tasked to design a MoU and forward the same to all member exchanges seeking the willingness of SAFE members to participate in the said project. He stated that later on, the SAFE EC meeting held at Karachi, Pakistan during Jan 2007 decided that instead of seeking the willingness of SAFE members through separate MoUs, a Tripartite Agreement may be drafted by the SAFE Secretariat and

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forwarded to all members for formal agreement to the effect of participation of SAFE member exchanges in the project. Accordingly, he said that the draft of Tripartite Agreement was developed by the SAFE Secretariat in conjunction with Dow Jones Indexes, and all member exchanges were requested to send their formal approvals through the execution of the respective Tripartite Agreements.

2. The Chairman further informed the meeting that the process of obtaining the formal approvals of the member exchanges took some time, and after the receipt of the executed agreements from at least one representative exchange from each of the member countries of the region, the way path was made clear to sign a Joint Marketing Agreement with Dow Jones, as well as respective Tripartite Agreements received from the member exchanges. He informed the meeting that a total of nine member exchanges had sent their respective Tripartite Agreements to SAFE, however the data from only the following seven exchanges may be used for the representative index for the South Asian region because of the reason that only the following exchanges actually represented as the reliable liquidity centers in their respective countries:

- 1) Bombay Stock Exchange Limited-India.
- 2) Colombo Stock Exchange-Sri Lanka.
- 3) Dhaka Stock Exchange-Bangladesh.
- 4) Karachi Stock Exchange-Pakistan.
- 5) Maldives Stock Exchange-Maldives.
- 6) Mauritius Stock Exchange-Mauritius.
- 7) Nepal Stock Exchange-Nepal.

3. The Chairman informed the meeting that besides the above, two other exchanges namely Chittagong and Islamabad stock exchanges had also signed the Tripartite Agreements, but their data being not representative of the level of liquidity may not be collected or used for the purpose of the development of the index.
4. The Chairman further informed the meeting that the whole process took more than one year of constant follow up by the SAFE Secretariat, and without their enthusiasm and follow up, the signing of the JMA, which took place between SAFE and Dow Jones & Company, Inc. on 9th January 2008, could not have been possible. He further informed the members that a copy of the final JMA had already been circulated to the general body for their information, which is hereby attached as **Exhibit-B** with these minutes. He requested the members to ratify the JMA under discussion. On the proposal of Mr. Ahmed Rashid Lalli duly seconded by Mr. Mr. Mian Shakeel Aslam, the general assembly passed the following resolution:

“Resolved that the Joint Marketing Agreement signed between SAFE and Dow Jones & Company, Inc. on 9th January 2008 be and is hereby ratified.”

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Agenda Item # 4: Amendments to SAFE Charter

1. The Chairman informed the meeting that after the establishment of permanent Secretariat of SAFE at Islamabad, Pakistan, and its registration there, the next step was to seek the approval of the local tax authorities for the exemption of all income of the Federation from any income tax etc. Therefore, he stated that our tax consultant had informed that whereas SAFE had been duly registered as a voluntary social welfare agency under the relevant laws in Pakistan, however, the charter of SAFE nowhere mentions that our Federation is a not for profit entity. He said that similarly, some other deficiencies in our charter had been identified by the tax authorities. As a result, he stated that the tax consultant of the Federation had recommended that certain other needed and consequential amendments may be carried out by the Federation before our application is forwarded to the local tax authorities.
2. The Chairman informed the meeting that the SAFE EC in its meeting held on Jan 30, 2008 had already recommended the approval of the required changes in the charter of the Federation. Accordingly, he stated that the suggested changes in the Charter of the Federation were being presented to the members for their approval. He asked the Secretary General to read out the changes required to be made in the Charter, which was accordingly done by the SG. Details of the changes as presented to the meeting are attached with these minutes as **Exhibit-C**.
3. On a proposal moved by Mr. Karki duly seconded by Mr. Ahmed Rashid Lalli, the required voting strength of the Primary Members of the General Assembly passed the following resolution as required under Article 8 of the Charter of the Federation:

“Resolved that the amendments in the SAFE’s Charter as recommended to be adopted by the Executive Committee, be and are hereby approved.”

Agenda Item # 5: SAFE Membership Matters

1. The Chairman informed the meeting that under Article 4.1.5 of the Charter of the Federation, all decisions of the Executive Committee in respect of the memberships of the Federation are subject to the confirmation of the General Assembly. Accordingly, he stated that the Executive Committee of SAFE in its meeting held on January 30, 2008, has approved the change in the membership of Maldives Stock Exchange to Maldives Stock Exchange Company (Pvt.) Ltd. After the privatization of MSE as per the local laws of Maldives. He further stated that the same change had been recommended by CMDA, under whom the MSE had been functioning earlier.

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2. Accordingly, the Chairman asked the general Assembly to formally confirm the above change in the membership of MSE. On the proposal of Mr. Ahmed Rashid, duly seconded by Mr. Rewat bahadur Karki, the General Assembly carried the following resolution:

“Resolved that the membership of the Maldives Stock Exchange Company (Pvt.) Ltd., as a primary member of SAFE, be and is hereby confirmed.”

Agenda Item # 6: The Matter of Election to the Executive Committee of SAFE

1. The Chairman asked the Secretary General to brief the house on the agenda item. The SG, at the outset distributed the list of all previous EC members of SAFE who had been elected to the EC at various times since the inception of SAFE. The said list is hereby attached with these minutes as **Exhibit-D**. The SG also informed the meeting that under the new charter of SAFE, which had been approved and became effective on Nov 17th, 2006, it was provided that Six (6) members of the Executive Committee shall be elected by the General Assembly for two (2) years term. He further stated that previously the term of the Executive Committee used to be one year under the old Charter. He said that the updated Charter also required that no SAFE member whose authorized nominee had served for two consecutive terms (of two years each) would be eligible for election/nomination for third term unless a period of one term had elapsed in between such terms.
2. He informed the meeting that upon the approval of the updated charter, six following members were duly unanimously elected in the 6th Annual General Assembly meeting held on 17th Nov, 2006 for two years term that all came from the stock exchanges group:
 - 1) Mr. Rajnikant Patel, BSE
 - 2) Mr. Ahmad Rashid, DSE
 - 3) Ms Chitra Ramkrishna, NSE India
 - 4) Mr. Rewat Bahadur Karki, NSE
 - 5) Mrs. Surekha Sellaheva, CSE
 - 6) Mr. Zaffar A. Khan, KSE
3. The SG informed that meeting that subsequent to the election of the new EC, Mr. Rajnikant Patel was unanimously elected as the Chairman of SAFE and Mr. Ahmad Rashid was elected as the Vice Chairman of SAFE in the joint meeting of the same General Assembly and the newly elected EC.
4. The SG further stated that the earlier elections to the EC had been held during May 2005 wherein the nominees from BSE, DSE, ISE, CSE and Royal Exchange of Bhutan were elected under the terms of the previous Charter. He stated that at the time of elections during 6th AGM, it was proposed that as the data from only the major exchanges of the SAFE

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countries would be included in the upcoming project of SAFE index, therefore the fresh EC should comprise of all major exchanges so that their involvement and support in the project of the launch of South Asian Index could be guaranteed. Accordingly, he said that the General Body elected the representatives from National Stock Exchange India, Karachi Stock Exchange and Nepal stock Exchange as the new members of EC instead of ISE and Royal Exchange of Bhutan, against the two vacancies and one additional vacancy occurring due to increase in the number of EC members.

5. The SG stated that the new Charter of the SAFE had required that four EC Members would have to be from the Stock Exchange Group and two Members have to come from the Group other than the Stock Exchanges. However, as all new members of SAFE from other than the stock exchange group had been accepted as new members of SAFE in the previous meeting, therefore, no nomination had been received from this group. Accordingly, he informed the meeting that during the last AGM, it was proposed that as no nomination had been received from the group other than the stock exchanges, the General Assembly may consider electing all EC members from amongst the group comprising of the stock exchanges, which was duly done. At the same meeting, it was also proposed by the Secretary General that although the new EC is deemed to be elected for two years term as per the adopted updated charter, however, it may be noted that it contained no representative from the group other than the stock exchanges. He stated that it was because of his own suggestion that it may be best **if the entire elected EC resigned at the end of 2007** so as to seek fresh nominations from both groups comprising of the stock exchanges and other than the stock exchanges. He said that the suggestion was made for the purpose of involvement of the new members of SAFE who mainly comprised of the group other than the stock exchanges. Accordingly, he said that the General Assembly accepted his proposal and agreed that **the fresh elections may be held in the next Special General Assembly Meeting of SAFE.** He said that it was also agreed that SAFE Secretariat may seek fresh nominations from all SAFE members for the election of the EC on the eve of the next Annual General Assembly meeting so as to gauge the interest of the group comprising of the members other than the stock exchanges, if any, where after, the EC Members may resign to pave the way for the election of the new EC.
6. He informed the meeting that SAFE Secretariat had accordingly sought fresh nominations from all primary as well as associate members of SAFE on January 1st, 2008 for elections to the EC, indicating a deadline of January 15th, 2008 for the receipt of all nominations as required under Article 9.2.3 of the SAFE Charter. In response to this notice, he informed the meeting that following nominations had been received at the Secretariat within the given deadline. Besides, he further informed that in addition, another nomination of Mian Shakeel Aslam, Acting Managing Director of Lahore Stock Exchange was also received on January 18th, 2008:

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- 1) Mr. Rewat Bahadur Karki, General Manager of Nepal SE (Already on EC)
 - 2) Mr. Adnan Afridi, MD/CEO, Karachi Stock Exchange (Already on EC)
 - 3) Mr. Fakhor Uddin Ali Ahmed, Vice President, Chittagong Stock Exchange
 - 4) Mr. Sunil Benimadhu, CEO, The Stock Exchange of Mauritius
7. He further informed the meeting that the EC meeting held on Jan 30th, 2008 had discussed the agenda item at length, and had decided that the matter be dealt with by the General Assembly. He said that the matter was of critical importance because under the newly adopted, the EC members had been elected for two years term with effect from Nov 2006. Besides, he stated that the reason of electing all major exchanges to the present EC team was for the purpose of their continued involvement in the project of Dow Jones-SAFE index, which had not yet come to fruition. Furthermore, he said that his suggestion for the holding of elections after one year was aimed at providing an opportunity to the Associate Members to field their candidates, but he said that as was clear from the above nominations, no Associate Member of SAFE had even this time fielded any candidate. Therefore, he informed the meeting that the matter deliberations from the General body to decide the thorny issue as to whether the elections should take place mid way or the present EC be allowed to complete its two years term. He said that as it was inappropriate for the present EC members to discuss the matter, therefore he was seeking the opinion of all others present in the General Assembly.
8. Mian Shakeel Aslam, starting the discussion on the matter, stated that it was appropriate if the incumbent EC is continued for another year to complete its term as well as to steer the project of the SAFE index. He stated that for this purpose he would withdraw his nomination papers. Mr. Sunil Benimadhu also echoed the same opinion, and stated that he too would be more than pleased to withdraw his nomination. Mr. Abu Bakar Siddique of Chittagong Stock Exchange also stated that he would also withdraw the nomination of Mr. Fakhor Uddin Ali Ahmed of CSE, so as to enable the present EC to continue. After the withdrawal of nominations of all the candidates including that of Mr. Rewat Bahadur Karki and Mr. Adnan Afridi, who would have continued with their status as EC members, Mr. Habibus Samad proposed that the entire incumbent EC members may be deemed to be continued for another year to complete their required term of office of two years. All other members of the General Assembly seconded the proposal.
9. The Secretary General, thereafter, expressed his appreciation for the selfless spirit of those members who had withdrawn their nominations to enable the General Assembly in reaching a unanimous decision. The Chairman also thanked the General Assembly for reposing their trust in his leadership, and expressed his resolve to make SAFE as a truly international organization contributing to the development of the capital markets of the region. All members of the General Assembly also congratulated the other EC members



and hoped that under their guidance, SAFE would make further headway towards increasing cooperation amongst the members of the Federation.

Agenda Item #7: Next Annual General Assembly Meeting of SAFE

1. The SG informed the meeting that MD/CEO of MCX Mr. Joseph Massey had a discussion with him as well as with the Chairman SAFE. He said that during the said discussion, he had not only informally accepted our invitation of MCX becoming a Primary Member of SAFE, but had also offered to host the next conference/AGM of SAFE at Mumbai, India. He said that the same was an extremely welcome offer, and the General Assembly could approve the same in anticipation of MCX becoming a member of SAFE. All agreed.
2. Some other members also suggested that Mr. Sunil Benimadhu may also be requested to host the subsequent conference at Mauritius. At this, Mr. Sunil Benimadhu agreed to consider hosting any of the future meetings of SAFE in his country.

Agenda Item # 8: Any Other Matter

1. The Chairman in his concluding address again appreciated the hospitality of Dhaka Stock Exchange and also lauded the performance of the Secretary General under whom SAFE had achieved meaningful progress. He also appreciated the continued help of Islamabad Stock Exchange for supporting the functioning of the permanent secretariat of the Federation, however he agreed that SAFE should move out to another rented accommodation as soon as ISE is ready to move to its new building.
2. There being no other business to transact, the meeting concluded with a vote of thanks for the Chair.

Chairman