



SOUTH ASIAN
FEDERATION OF EXCHANGES

No. AGM/08/2009

Mar 11th, 2009

MINUTES OF 8th ANNUAL GENERAL MEETING OF SAFE

1. The 8th Annual General Meeting of SAFE was held at the Inter-Continental Hotel, Abu Dhabi, UAE on Mar 11th, 2009.

2. The meeting was attended by the representatives of the following members of SAFE:

1) Abu Dhabi Securities Exchange	-	Associate Member
2) Bombay Stock Exchange Ltd.	-	Primary Member
3) Central Depository Bangladesh Limited	-	Associate Member
4) Central Depository Company of Pakistan	-	Associate Member
5) Chittagong Stock Exchange	-	Primary Member
6) Colombo Stock Exchange	-	Primary Member
7) Dhaka Stock Exchange Limited	-	Primary Member
8) Islamabad Stock Exchange	-	Primary Member
9) Karachi Stock Exchange	-	Primary Member
10) Lahore Stock Exchange	-	Primary Member
11) Maldives Stock Exchange	-	Primary Member
12) MCX India Limited	-	Primary Member
13) National Clearing Company of Pakistan Limited-	-	Associate Member
14) National Commodity Exchange Limited, Pakistan-	-	Primary Member

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

1) National Multi-Commodity Exchange of India-	-	Primary Member
2) National Securities Clearing Corporation Limited-	-	Associate Member
3) National Stock Exchange of India	-	Primary Member
4) Nepal Stock Exchange Limited	-	Primary Member
5) Royal Securities Exchange of Bhutan	-	Primary Member
6) The Stock Exchange of Mauritius	-	Primary Member

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

1) Mr. Tom Healy	CEO of Abu Dhabi Securities Exchange
2) Mr. Sanjay Saksena	Chief Knowledge Officer BSE
3) Mr. M Habibus Samad	CEO Central Depository Bangladesh
4) Mr. Fakhor Uddin Ali Ahmed	Vice President of CSE, Bangladesh
5) Mr. Saif Ul Islam	VC SAFE & Director DSE Bangladesh
6) Mr. Adnan Afridi	MD/CEO Karachi Stock Exchange
7) Mr. Mian Shakeel Aslam	MD Lahore Stock Exchange
8) Dr. Bandi Ram Prasad	CEO FTKMC/Representative of MCX, India

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- 9) Mr. Muhammad Lukman CEO NCCPL
10) Mr. Aftab Ahmad Ch. MD ISE (Also representing CDC, Pakistan;
CSE, Sri Lanka, MSE, Maldives and NCEL, Pakistan through the
instruments of Proxy)

4. In attendance:

- 1) Mr. Aftab Ahmad Ch Secretary General (SG)
2) Mr. Tahir Kahlon Senior Research Officer SAFE.
3) Ms. Jawwad Ahmad Program Officer SAFE.

Proceedings of the Meeting

1. The SG informed the meeting that as per Article 6.4, which deals with the requirement of the Quorum, the presence of 1/3rd or 4 Members of the total Members of SAFE is required to form the Quorum. He said that that as per this requirement the Quorum is complete and the proceedings of the meeting can start as per the given agenda.
2. Since the Chairman of the Federation Mr. Mahesh Soneji was not present, so the General Assembly requested Mr. Adnan Afridi to chair the meeting. Mr. Adnan Afridi thanked the Members and took the chair. He 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. Tom Healy for the excellent arrangements made by Abu Dhabi Securities Exchange for the hosting of the conference. He proposed a vote of thanks for ADX, which was unanimously consented by the General Assembly, and all Members appreciated the extensive hospitality of ADX and its help for the organization of the instant meeting.
3. Thereafter, the Chairman of the Meeting started the proceedings of the meeting agenda wise.

Agenda Item # 1: Approval of Previous Minutes

1. The Chairman of the Meeting asked the SG to brief the General Assembly about the proceedings of the last held AGM held at Dhaka, Bangladesh on 31st Jan 2008.
2. SG presented the salient points of the agenda taken up at the previous General Assembly meeting. Thereafter, on the proposal of Mr. Mian Shakeel Aslam, duly seconded by Mr. Saif Ul Islam, the minutes of the 7th AGM were approved by the General Assembly, and the meeting passed the following resolution:

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“Resolved that the minutes of the 7th AGM of SAFE, be and are hereby approved;”

“Resolved further that the Chairman SAFE, be and is hereby authorized to sign the approved minutes for and on behalf of the General Assembly.”

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 of the Meeting 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 performance and other activities of SAFE for the year 2008. A copy of the said review is appended with these minutes as **Exhibit-A**.
2. Mr. Sanjy Saksena expressed his appreciation for the progress made by SAFE during the period under review. He said that after having been worked on the SAFE matters from the BSE side, he was quite impressed with the remarkable progress made by the Federation in a very short span of time since the establishment of its permanent Secretariat at Islamabad. He said that the credit for SAFE’s excellent performance goes to all of our Members, who rightly recognized the need of establishing the foundation of our Federation on permanent basis with a dedicated team leader aspiring to achieve the objectives of SAFE. He said that he was personally very much impressed with the way SAFE has grown by leaps and bounds under the active leaderships shown by the Chairmen of the Federation and the personal motivation and hard work of the SG during the last few years. Dr. BandiRam Prasad also expressed his pleasure at the growing financial strength of SAFE and stated that much more needs to be done to turn the platform into a dynamic association. Mr. Saif Ul Islam stated that SAFE was gaining strength because of the effective long term policies introduced at the EC level during the last few years which aimed to make the Federation a truly independent and financially strong body without the support or affiliation with any Member. Mr. Fakhor Ud Din also appreciated the financial and operational performance of SAFE during the outgoing year, and appreciated the SAFE Secretariat team for its dedicated work for achieving the objectives of the Federation.
3. Subsequently, on a vote proposed by Mr. Muhammad Lukman, duly seconded by Mr. Saif Ul Islam, the report was duly adopted by the General Assembly, which passed the following resolutions in this regard:

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“Resolved that the Chairman’s Review and EC Report to the General Assembly on the financial performance and other activities of SAFE for the year 2008; be and is hereby adopted by the General Assembly;”

“Resolved further that the General Assembly hereby records its appreciation for the Chairman, the SG and the SAFE Secretariat team for the historical performance of SAFE during the outgoing year;”

“Further resolved that the future agenda of SAFE as stipulated by the Chairman in his report; be and is hereby adopted by the General Assembly.”

Agenda Item # 3: SAFE Membership Matters

1. The SG informed the meeting that during 2008, SAFE Secretariat had encouraged the following new entities to join the Federation:

- | | |
|---|--------------------|
| 1) Abu Dhabi Securities Exchange (ADX) | - Associate Member |
| 2) Central Depository Company of Pakistan Ltd- | Associate Member |
| 3) National Multi Commodity Exchange of India Ltd (NMCE)- | Primary Member |
| 4) Multi Commodity Exchange of India Ltd (MCX) | -Primary Member |
| 5) MCX Stock Exchange (MCX SX) | - Primary Member |

2. The SG 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 General Assembly is required to formally confirm the above additions in the memberships of SAFE.

3. The General Assembly discussed the matter and appreciated the efforts of the Secretary General and the Chairman for expanding the SAFE fraternity. Later, on the proposal of Mr. Muhammad Lukman, duly seconded by Mr. Mian Shakeel Aslam, the General Assembly carried the following resolution:

“Resolved that the membership resolutions duly passed by the EC in respect of the admission of the above named entities as the Members of the Federation in the respective categories as mentioned against each, be and are hereby confirmed:”

“Further resolved that the General Assembly welcomes the new Members and looks forward to their keen participation for increasing the multi lateral cooperation amongst all SAFE Members for the achievement of the objectives of the Federation.”

Agenda Item # 4: SAFE EC Elections for the 2009-2011 term

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1. The Chairman of the Meeting asked the Secretary General to brief the house on the agenda item. The SG, informed the meeting that the election schedule for the 2009-2011 term of the SAFE EC had been circulated to all SAFE Members alongwith the Notice for the 8th General Assembly on Feb 11, 2009. He informed the meeting that according to the SAFE's Charter, six new members of the EC are required to be elected for the next term to fill up the six elected positions while the 7th member of the EC is the Secretary General, which is an appointed position. He said that under Article 9.2 of the Charter, four (4) seats are required to be filled from amongst the nominees of Members representing the Primary Members, and two (2) seats are required to be filled from amongst the nominees of the Members representing the Associate Members.

2. The SG informed the meeting that as of the scheduled closing date (of Feb 26th, 2009) for the filing of nominations, following seven (7) nominations had been received by the SAFE Secretariat:
 - 1) Nominees from the Primary Members

I. Mr. Adnan Afridi	-Nominee of Karachi Stock Exchange
II. Mr. Fakhor Ud Din Ali Ahmed	-Nominee of Dhaka Stock Exchange
III. Mr. Joseph Massey	-Nominee of MCX, India
IV. Mr. Mian Shakeel Aslam	-Nominee of Lahore Stock Exchange
V. Mr. Shankar Man Singh	-Nominee of Nepal Stock Exchange

 - 2) Nominees from the Associate Members

I. Mr. Muhammad Lukman	- Nominee of NCCPL, Pakistan
II. Mr. Rashed al Balousshi	- Nominee of ADX, UAE

3. SG informed the meeting that traditionally the election to the EC had been held in a very cordial manner and on unanimous basis. He said that for the EC elections, the principle of rotation is also followed so that the EC becomes a broad based platform giving representation even to the smallest exchanges/Members. Mr. Fakhor Ud Din suggested that since two nominations had been received from Pakistan, therefore it may be better if one of the candidates withdrew so as to pave the way for the unanimous election. The SG informed the meeting that it was upto the General Assembly to decide.

4. After some discussion on the matter to find a unanimous solution, Mr. Fakhor Ud din Ali Ahmed said that since the matter cannot be resolved in the spirit of goodwill, therefore he suggested that some changes may be brought to the SFE Charter which may further improve the representations and the process of elections. He proposed that firstly, the two years position at SAFE EC should be rotatable within the Members from the same country. Secondly, he suggested that no more than two elected Members of SAFE EC should come from the same country. Thirdly, he suggested that the SAFE EC should have three positions for

the Vice Chairmen, two of which should be held by the Primary Members and one by the Associate Member. Fourthly, he proposed that the number of elected EC Members may be enhanced to 7 instead of the present 6 seats as allowed by the Charter at the moment.

5. The Chairman of the Meeting sought the opinion of the General Assembly, which voiced its agreement to the proposals. However, the SG stated that the proposed changes would still not resolve the issue at hand as the General Assembly first needed to resolve the matter of choosing four members to the EC out of the five contestants. He said that the matter could be dealt with by casting votes through show of hands and requested the Chairman of the Meeting to proceed with the matter. However, the Chairman of the Meeting suggested that it would be appropriate if the matter was dealt in an amicable manner and the election to the EC took place in a unanimous way. However,. Mr. Fakhor Ud din Ali Ahmed still insisted that if his proposals for the changes in the Charter of the Federation are adopted by the General Assembly, then it would also resolve the impasse being faced by the AGM.
6. On the suggestion of the General Assembly, the Chairman of the Meeting asked the opinion of the SG on the matter of the amendment to the Charter of the Federation. To this, the SG replied that as per Article 8 of the Charter, any amendment to the Charter required the consent of 2/3rd of the Primary Members of the Federation. He further stated that although the required quorum was present after having accounted the proxies for today's meeting, however the matter of any amendment to the Charter is a serious business and should not be dealt with in an impromptu manner as was suggested in the meeting. He said that it would be appropriate if the matter is first discussed in a threadbare manner by the EC, and only the most logical and a legally vetted version of the proposed changes is brought to the General Assembly for its consideration.
7. The Chairman of the Meeting asked the SG if he had any opinion on the proposed changes. To this, the SG stated that he was neutral on two of the proposed changes such as: enhancing the number of VCs; and restricting the number of the elected members from one country to two. He further said that the other proposal for allowing the rotation of elected offices on country basis is again a matter that can best be settled by the respective Members from a particular country, and SAFE cannot ensure anything in this regard if a person is elected for two years term at the EC. He said that the term of two years for the EC was fixed because of some important considerations such as the continuity and the availability of some reasonable time to the EC for the implementation of policy decisions. He said that the matter of rotation was also dependent on the mutual agreement of the members from one country. He said that in case of India & Pakistan, there were four Primary Members each and the principle of rotation may mean that an elected office is held by one Primary Member on six monthly basis. He said that in this way the EC proceedings

would not find any continuity. He also opposed the enhancement in the number of the elected members of EC to seven from the present number of six persons. He said that if we resort to such a practice for accommodating each and every contestant, then we would not be able to decide otherwise if in the future more than 7 nominees decide to file their nominations.

8. SG informed the meeting that if the General Assembly was interested to pass the proposal for the changes in the Charter, then two suggestions of Mr. Fakhor Ud din Ali Ahmed, viz; increasing the number of VCs and restricting representation of one country to two elected offices at the EC, can be approved. He said that side by side with these changes, some other consequential changes may be needed, and furthermore few changes in the Objective Clause of the Charter of SAFE, which had been in discussion for sometime may also be approved. He said that the changes related to the broadening of the objectives of SAFE to launch its future initiatives such as the financial literacy/inclusion campaign, and investors' education series etc., and to enable the Federation to undertake broader set of objectives and functions. However, the SG still insisted that the matter at hand was the question of elections for the new term which still remained unresolved.
9. After having got the comments of the SG, the Chairman of the Meeting stated that he had the following two proposals for the general body to consider with regards to the matters discussed earlier:
 - a. The size and the term of the EC should continue to be as provided in the Charter. The cap of two slots on EC elected positions per country is reasonable, but the same is not applicable to the SG who is supposed to be appointed on independent basis regardless of any affiliation with any Member. However, the matter of rotation of elected EC members within the Members of the same country should be left to the representative of the countries themselves. He said that if he was elected to the EC by the General Assembly and consequently as the Chairman of SAFE, then he would like to step down half way and give the rest of the term for the elevation of Mr. Joseph Massey as the Chairman. He said the on the vacancy having been created after his retirement, the Primary Members from Pakistan would decide and the person so nominated would get the slot of VC after the elevation of Mr. Massey to the Chairman.
 - b. The General Assembly may pass the broader spirit of the changes in the Charter such as having two VCs from Primary Members, and maximum of two elected members from one country, and some other changes in the objective clause of the Federation. These changes would be formally incorporated in the Charter after legal vetting and confirmation from the EC.
10. The General Assembly endorsed both the proposals of the Chairman of the Meeting and appreciated his spirit to reduce his own term in order to resolve



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the matter of elections with a spirit of goodwill and accommodation. However, the SG informed the meeting that whereas the arrangement regarding the half way change over of any EC member may be implemented through the relinquishing of the office by any Member, however the election to the EC in the current meeting would be for a term of two years as per the Charter of the Federation. All agreed. The General Assembly then passed the following resolutions:

“Resolved that the following are hereby elected for the 2009-2011 term of the EC:

- 1) Mr. Adnan Afridi
- 2) Mr. Fakhor Ud Din Ali Ahmed
- 3) Mr. Joseph Massey
- 4) Mr. Shankar Man Singh
- 5) Mr. Rashed Al Baloushi
- 6) Mr. Muhammad Lukman”

“Resolved further that the changes in the SAFE Charter as having been discussed in the instant meeting be and are hereby approved for instant implementation; however the same shall be incorporated in the Charter after the clearance of the legally vetted version from the next EC.”

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

1. The SG informed the meeting that our flagship SAFE Conference scheduled to be held last year at Mumbai could not take place due to which only the AGM was taking place at Abu Dhabi. However, he said that the MD/CEO of MCX-SX Mr. Joseph Massey was still keen on hosting the said event at Mauritius through the sponsorship of the newly formed FT sponsored exchange namely the Global Board of Trade.
2. The members discussed the matter and approved the holding of the next meeting at Mauritius under the sponsorship of MCX-SX and GBoT.

Agenda Item # 8: Any Other Matter

There being no other business to transact, the meeting concluded with a vote of thanks for the Chair.

Chairman

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