



SOUTH ASIAN
FEDERATION OF EXCHANGES

Notice and Agenda

for the

9th General Assembly Meeting of SAFE

to be held

on April 22, 2010 at 7:00 P.M

at Hotel Maritim

Mauritius

SAFE Secretariat

96 West, 2nd Floor, Khyber Plaza, Fazal ul Haq Road, Blue Area, Islamabad-44000, Pakistan.

Tel : +92 51 282 6763 | E-mail: info@safe-asia.com

Fax: +92 51 280 4215 | URL : www.safe-asia.com



SOUTH ASIAN
FEDERATION OF EXCHANGES

No. AGM/09/2010

Apr 2, 2010

NOTICE OF 9th GENERAL ASSEMBLY MEETING OF SAFE

Notice is hereby given that the Ninth General Assembly Meeting of SAFE has been scheduled for 22nd Apr, 2010 at 7 PM at Hotel Maritim, Mauritius, UAE, to transact the following business:

AGENDA ITEMS

Agenda Item No. 1: Approval of the Minutes of Last AGM

To consider and approve minutes of the 8th AGM held on March 11, 2009 at Abu Dhabi, UAE. **(Exhibit-A)**

Agenda Item No. 2: Chairman's Review and EC Report to the General Assembly on the financial performance and other activities of SAFE

To receive the Chairman's Report to the General Assembly on the financial statements and other activities of SAFE during the last year. **(Exhibits B)**

Agenda Item No. 3: SAFE Membership Matters

To confirm the new Memberships of SAFE approved by the EC during the year.

Agenda Item No. 5: Venue for the Next General Assembly Meeting

To consider and decide about the venue and date of next General Assembly Meeting of SAFE.

Agenda Item No. 6: Any Other Matter

To consider and approve any other matter with the permission of the Chair.

All Members are requested to kindly make it convenient to attend the meeting.

Aftab Ahmad Ch.
Secretary General

SAFE Secretariat

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Distribution: All SAFE Members.

Notes:

1. The Member entities wishing to attend the meeting should contact the SAFE Secretariat for assistance regarding visa and other logistical arrangements.
2. Any Member entity wishing to seek leave of absence from attending the meeting should intimate SAFE Secretariat accordingly before the meeting.
3. Members are requested to please note the following stipulations of the SAFE Charter on the matters of authorised nominees and the appointment of proxies.

Article 4.2 RIGHTS OF MEMBERSHIP

- 4.2.4 Only a natural person holding the office of President/Chairman, Vice-President/Vice-Chairman or Chief Executive Officer/Managing Director or Deputy Chief Executive Officer/Deputy Managing Director of a Member entity can be the authorised nominee at all the forums/meetings of SAFE including the General Assembly, the Executive Committee or any other Special Committee of SAFE.

Article 7: VOTE AND VOTE BY PROXY

- 7.1 Each Member entity shall have right of one vote for all purposes other than amendment of the Charter.
- 7.2 On a poll, the nominees of the member entities may give their votes either personally or by proxy.
- 7.3 The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing.
- 7.4 An instrument appointing a proxy shall be in the form as prescribed in Schedule-I hereof.
- 7.5 A proxy must also be the nominee of SAFE Member entity.
- 7.6 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed shall be furnished to the SAFE Secretariat not less than seven (7) days before the time of holding the meeting at which the person named in the instrument proposes to vote.

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No. AGM/09/2010

Apr 2, 2010

NOTES TO THE AGENDA ITEMS FOR THE 9th AGM

Agenda Item No. 1: Approval of the Minutes of Last AGM

The minutes of the previous AGM held on March 11, 2009 at Abu Dhabi, UAE are enclosed as **Exhibit A** with this agenda item. The general assembly is requested to please consider and pass the draft minutes and carry out the following resolution:

“Resolved that the draft minutes of 8th AGM held on March 11, 2009 be and are hereby approved;”

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

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

1. 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, the Chairman's Review and EC Report to the General Assembly on the financial statements and other activities of SAFE for the year 2009 are attached herewith as **Exhibit-B**.
2. The general assembly is requested to consider and pass the following resolutions:

“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 2009; 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.”

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Agenda Item No. 3: SAFE Membership Matters

1. During the period from the holding of last General Assembly meeting to the instant AGM, SAFE EC has approved the following types of Memberships both through resolution by circulation and in its regular meetings:

- | | |
|---|-------------------|
| 1) Global Board of Trade (GBoT), Mauritius | -Primary Member |
| 2) Capital Market Development Authority | -Associate Member |
| 3) Mercantile Exchange Nepal Limited or MEX | -Associate Member |
| 4) M/s InfoTech Pakistan | -Affiliate Member |

2. It may be mentioned GBoT is one of such exchanges operated by FT, India. FT group of India operates a total of 10 exchange ventures and has decided in principle to have all of its exchange ventures to become the Members of SAFE as communicated by Mr. Joseph Massey. However, three of the existing members of SAFE belonging to FT group namely MCX, MCX SX and GBoT pay a sum of US\$ 17,500/- as the Membership subscription on yearly basis. Furthermore, the Memberships of the remaining group companies of FT would result in the levying of a further fee of US\$ 17,500/-, which is being considered as economically unwise. Accordingly, during the recent visit of SAFE SG to India, Mr. Joseph Massey has agreed that if SAFE would offer 50% discount to all FT exchange ventures instead of a fee of US\$ 35,000/-, then all remaining FT Exchange ventures (whether already Members of SAFE or otherwise) would join SAFE. In this way, if approved by the General Assembly, all FT related Exchanges & FTKMC would pay a cumulative fee of US\$ 22,500/- for the SAFE Membership. On the other hand, Maldives Stock Exchange has intimated the SAFE secretariat about its decision to discontinue its membership owing to financial problems of the Exchange. Following this intimation, SG contacted both the MSE and its regulator Capital Market Development Authority of Maldives (CMDA) to discuss the matter of non-representation from one of the constituent nations of SAARC, and its repercussions on SAFE being a SAARC recognized body. In order to continue having representation from Maldives, CMDA has proposed that if MSE cannot continue as a Member of SAFE, then CMDA would become an Associate Member of SAFE as provided under the SAFE Charter. It may be mentioned that CMDA earlier also had represented MSE before the privatization of MSE during the years 2005-2008.

3. SAFE EC had also decided to offer Affiliate Membership of SAFE to a select list of non-regional exchanges/associations, brokers, investment banks, mutual funds, technology companies etc, with US\$ 1000/- annual subscription fee. In response to this, one application has been received namely from M/s Infotech Pakistan-a capital market technology company. Another application for Associate Membership has come from **Mercantile**

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Exchange Nepal Limited or MEX, which is the largest online commodity futures exchange in Nepal. It trades futures in various commodities such as cash crops, food grains, vegetables, spices, oil seeds, metals & bullion. It commenced its operations on 5 January, 2009. MEX is a **regulated company** subject to various laws of Nepal; however its status as a regulated exchange is not clear.

4. Pursuant to Article 4.1.5 of the SAFE Charter, all decisions of the Executive Committee in respect of admission, acceptance, withdrawal, or expulsion of a Member is subject to the confirmation of the General Body of the Federation in its next following meeting.
5. In view of the above, the decisions of the EC in respect of the acceptance of the membership applications to the above entities are placed before the General Assembly for confirmation. Accordingly, it is requested that the General Assembly may pass the following resolution, if deemed appropriate:

“Resolved that following entities be and are hereby confirmed as the New Members of the Federation in the categories as mentioned against each:

- | | |
|--|---------------------------|
| 1) Global Board of Trade (GBOT), Mauritius | -Primary Member |
| 2) Capital Market Development Authority | -Associate Member |
| 3) Mercantile Exchange Nepal Limited or MEX | -Associate Member |
| 4) M/s InfoTech Pakistan | -Affiliate Member” |

“Resolved further that a fee of US\$ 22,250/- payable through a single source, be and is hereby approved for all FT group’s exchange ventures (with the application of 50% discount) subject to the condition that all remaining exchange ventures of FT and FTKMC would become the Members of SAFE through a single application, and would comply with SAFE’s Membership criteria.”

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Agenda Item No. 5: Venue for the Next General Assembly Meeting

This agenda item will be decided by the General Assembly in its meeting.

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Agenda Item # 6: Any Other Matter with the Permission of the Chair

The General Assembly may take up any other matter with the permission of the Chair.

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