



**Minutes of the Executive Committee Meeting of
The South Asian Federation of Exchanges
Held on November 16, 2006
At Hotel Taj Samudra, Colombo, Sri Lanka.**

The meeting was attended by the following Executive Committee members:

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| 1. | Mr. Rajnikant Patel | Chairman SAFE |
| 2. | Mr. Ahmed Rashid | Member |
| 3. | Aftab Ahmed Ch. | Member |

The EC was informed that whereas the regrets from Bhutan Stock Exchange have been received, the representative from Colombo Stock Exchange to the EC seat had not been nominated. But the quorum of three required members was present for the meeting. Thereafter, the meeting started with the welcome remarks from the chairman SAFE. The chairman appreciated the arrangements for the ongoing First Capital Markets Conference, and applauded the organizing team comprising of SAFE Secretariat, BSE and the host exchange, Colombo Stock Exchange.

Thereafter, the chairman started with the proceedings of the meeting agenda wise.

Agenda Item No. 1: Approval of Previous Minutes

The chairman invited observations from the members on the already circulated minutes of the Executive Committee meeting held on August 25-26, 2005. There being no observation, the circulated minutes were taken as read and approved.

Agenda Item No. 2: Approval of Policies contained in the agenda for the Annual General Meeting of SAFE to be held on 17th November, 2006 at Colombo, Sri Lanka

The meeting discussed and recommended the adoption of the following policies related to SAFE reorganization:

1. Proposed Amendments in SAFE Charter: The meeting was informed that both the Chairman and SG SAFE had held detailed discussions on the need for certain changes in the SAFE charter so as to expand the scope of objectives for the organization and also to provide for the proposed expansion of SAFE membership. Moreover, with the establishment of permanent secretariat, it was also inevitable to provide for certain checks and balances and define the role of the Secretariat and the scope of activities of SAFE. Mr. Ahmed Rashid applauded the efforts for the overhaul in the SAFE charter. He proposed various changes in the draft charter which were duly adopted for inclusion in the draft charter to be presented to the SAFE General Body meeting to be held on Nov 17, 2006.



2. Formal Recognition of the SAFE Associate Members: The Executive Committee also approved the policy for the inclusion of related capital market institutions of the region as the Associate Members of SAFE.
3. Audited Accounts for the year 2005: The Committee considered and approved the draft half yearly accounts ending 31st December 2005 as audited by M/s. KPMG Taseer Hadi & Co. and decided to recommend the same for adoption by the SAFE General Body.
4. Appointment of Auditors: The EC recommended the appointment of M/s. KPMG as auditors of SAFE for the period of two years i.e. 2006-07.
5. Elections for the Next Year: The EC was apprised that following the adoption of the proposed charter, the Executive Committee members would be elected for a period of two years in future. Accordingly, the SG SAFE informed the meeting that SAFE Secretariat had proposed that the re-election (continuation) of the current EC members may be carried out in the interim period by the General Assembly of SAFE. The meeting agreed that the Secretary General may propose the same to the General Body.
6. MOU for SAFE Regional Index; The Committee was apprised of the concept of launching the South Asian Index with the help of Dow Jones Indexes, which was an initiative of Mr. Rajnikant Patel. After discussion, the Committee approved the concept and decided to recommend the adoption of MOU by the General body for the launch of SAFE Regional Index by the Member Exchanges.

Agenda Item No. 3: SAFE Annual Budget- 2006 & 2007

The committee members were briefed about the Annual Budget of SAFE for the years 2006 (containing 10 months' actual expenses) and 2007. The SG SAFE highlighted that during 2006, SAFE expected to earn revenue of USD73000/- which included the amounts of USD 5000/- each on accounts of 1) sponsorship credit by ISE to SAFE and 2) the expected share of surplus from the ongoing conference. On the expenditure side, an amount of USD50,026/- is expected to be spent during the year. For the year 2007, revenue of USD104,500/- was projected including income from new sources such as membership fee from new Associate members (USD17,500/-), License fee from the users of South Asian Index (USD12,000/-), and surplus from the 2nd South Asian Capital Market Conference (USD10,000/-). An expenditure of USD77,304/- was projected for the next year mainly on account of staffing and seminars costs.

After discussion, the Committee approved the budgetary forecasts for both the years. Furthermore, the Committee also approved the budgetary forecasts for the First South Asian Capital Market Conference, and decided to ratify the same along with the approval of the accounts for the year 2006 at the next EC meeting. The Committee also decided that in future, both the Chairman and the Secretary General SAFE shall have the standing power to



sign on the audited accounts if no meeting of EC is convened within 60 days of the submission of the audited accounts.

Mr. Ahmed Rashid appreciated the idea for the organizing of South Asian capital market Conferences by SAFE on regular basis and suggested that in future such conferences must be held with wider publicity so as to provide a platform to the regional financial market persons to interact and discuss the ways for a greater integration of regional capital markets. The meeting unanimously decided that in future such conferences shall be arranged on annual basis.

Agenda Item No. 4: Appointment of New Deputy Secretary General of SAFE

The SG informed the meeting that Ms. Sumbul Naveed Qureshi, the Deputy Secretary General of SAFE has recently informed SAFE about her intended plans to move to Dubai, UAE to join MashreqBank. In the wake of this development, another suitable person was needed to be appointed to look after the SAFE affairs on regular basis. After some headhunt and professional references, another very able professional namely Ms. Farzin Khan had been identified and the Chairman SAFE had been informed accordingly. The SG informed the meeting that Ms. Farzin is a holder of Masters in Financial Management from the University of Luton, UK, besides having an MBA degree from Pakistan. She is presently working at the Securities and Exchange Commission of Pakistan has previously been engaged with Habib Bank Limited, as relationship manger and with M/s Manhattan Pakistan Limited-a famous advertising and public relations company in Pakistan. The SG recommended that M/s Farzin Khan be appointed as the new DSG of SAFE at a cumulative salary of USD 750.00 per month along with SAFE provided car to be maintained by the employee herself.

The Committee discussed the matter and decided to appoint Ms. Farzin Khan as the new Deputy Secretary General of SAFE with effect from the date of her joining SAFE.

Agenda Item No. 5: New Signatories for handling SAFE accounts

The SG informed the meeting that SAFE accounts in Pakistan are handled by two signatories. Till now, Mr. Aftab Ahmad Ch., the SAFE SG and Ms. Sumbul Naved Qureshi, the SAFE DSG had been handling SAFE's accounts. With the departure of outgoing DSG, and the appointment of new DSG, the new set of signatories are needed to be appointed by SAFE EC.

The Committee carried out the following resolutions to change the signatories of SAFE with immediate effect:

“Resolved that Mr. Aftab Ahmad Ch. (SG SAFE) and Ms. Farzin Khan (DSG SAFE) be and are hereby appointed as the new signatories for the joint handling and operating of SAFE's accounts, to sign all cheques and other bank related documents for and on behalf of SAFE.”



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“Resolved further that all previous arrangements made with the banks for handling, operating of SAFE’s accounts and for signing cheques and other documents be and is hereby cancelled accordingly.”

“Further resolved that Secretary General SAFE be and is hereby authorized to comply with all the formalities in this regard.”

Agenda Item No. 6: Venue for the holding of Next Executive Committee Meeting

The SG SAFE informed the meeting that following the approval of the Executive Committee to launch the South Asian index, it is important that the arrangement may be finalized and an agreement may be concluded with Dow Jones at the earliest so as to jump start the process. In view of this, he proposed that the next meeting of newly formed EC of SAFE may be scheduled during the months of January either at Karachi, Pakistan or at Mumbai. The EC members discussed the idea and asked the SG to schedule the next EC meeting keeping in view the logistical factors and the availability of the Chairman SAFE.

There being no agenda item, the meeting concluded with a vote of thanks to the chair.

Rajnikant Patel
Chairman SAFE
Dated 16th of November 2006