

SINGAPORE EXCHANGE LIMITED

REGULATORY CONFLICTS COMMITTEE

TERMS OF REFERENCE

(Revised with MAS Approval as at March 2008)

Purpose

1. The Regulatory Conflicts Committee's ("RCC")'s role and function is to satisfy the Board of Directors ("Board") that any perceived or actual conflict of interest between SGX group's commercial and regulatory functions are addressed. This includes considering conflicts of interest or potential conflicts of interest that arise from the listing and quotation of SGX shares on any corporation in the SGX group ("SGX company").

Composition

2. The RCC shall comprise:
 - (a) only of directors independent from management and business relationships with SGX;
 - (b) at least three directors; and
 - (c) at least a majority of directors, including the Chairman of the RCC, who are independent from any substantial shareholder.
- 2A. An "independent director" means a director who:-
 - (a) is independent from any management and business relationship

with any SGX company.

(b) is independent from any substantial shareholder of SGX.

2B. A director shall not be considered independent from management relationships with any SGX company if:

- (a) he is employed by any SGX company, or has been so employed at any time during the SGX company's current or preceding three financial years;
- (b) his immediate family member¹ :-
 - i) is employed by any SGX company as an executive officer whose compensation is determined by the Remuneration Committee; or
 - ii) has been so employed at any time during the SGX company's current or preceding three financial years;
- (c) he is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the management of any SGX company.

2C. A director shall not be considered independent from business relationships with any SGX company if:

- (a) he is a director, a substantial shareholder or an executive officer of any corporation, or a partner of a firm or a limited liability partnership or a sole proprietor, where such corporation, firm, limited liability partnership or sole proprietor carries on business for purposes of profit to which any SGX company has made, or

¹ For the purpose of this paragraph, "immediate family member" means spouse, child, adopted child, step-child, brother, sister, parent, or step-parent.

from which any SGX company has received, substantial payments in the current or immediately preceding financial year;

- (b) he is receiving or has received, any compensation from any SGX company, other than compensation received for his services as a director or as an employee, at any time during SGX's current or immediately preceding financial year;
- (c) he is a director or a substantial shareholder of a corporation which is a member² of, or a related corporation³ of a member of, any SGX company;
- (d) he is employed by, is receiving or has received any compensation from –
 - i) a corporation which is a member of any SGX company; or
 - ii) a related corporation of a member of any SGX company, and he is responsible for or engages in the activities of that member;at any time during the current or immediately preceding financial year of SGX;
- (e) his immediate family member is a director or a substantial shareholder of a corporation which is a member of any SGX company; or
- (f) his immediate family member is employed by a corporation which is a member of any SGX company as an executive officer whose compensation is determined by the Remuneration Committee of the member corporation.

² For the purpose of this paragraph, "member" has the same meaning as in the Securities and Futures Act.

³ For the purpose of this paragraph, "related corporation" has the same meaning as in Section 6 of the Companies Act.

2D. A director is considered to be independent from a substantial shareholder of SGX if he is not that substantial shareholder of SGX and is not connected to that substantial shareholder of SGX.

A person is connected to a substantial shareholder if he is –

- (a) an immediate family member of the substantial shareholder;
- (b) employed by the substantial shareholder or a subsidiary⁴ or associated corporation⁵ of the substantial shareholder;
- (c) a director of the substantial shareholder;
- (d) a director of a subsidiary or associated corporation of the substantial shareholder;
- (e) a partner of the substantial shareholder in any firm or limited liability partnership; or
- (f) accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder.

3. SGX shall obtain the prior approval of the Monetary Authority of Singapore (“MAS”) for the appointments of Committee Members and the Chairman.

⁴ For the purpose of this paragraph, “subsidiary” has the same meaning as in Section 5 of the Companies Act.

⁵ For the purpose of this paragraph, “associated corporation” means, in relation to a corporation –

- (a) any corporation in which the Corporation or its subsidiary has, or the Corporation and its subsidiary together have, an interest in shares entitling the beneficial owners thereof the right to cast, whether by proxy or in person, not less than 20% but not more than 50% of the total votes able to be cast at a general meeting of the corporation; or
- (b) any corporation, other than a subsidiary of the Corporation or a corporation which is an associated corporation by virtue of paragraph (a), the policies of which the Corporation or its subsidiary, or the Corporation together with its subsidiary, is able to control or influence materially.

4. A member of the RCC shall hold office until the next Annual General Meeting following that member's appointment and may be re-appointed to such office.
5. Where, by virtue of any vacancy in the membership of the RCC for any reason, resulting in a breach of any requirement under paragraph 2, the Board shall, within three months thereafter, appoint such number of new members to the RCC as may be necessary to rectify the composition of the RCC in accordance with the requirements. Any new member appointed shall hold office for the remainder of the term of office of the member of the RCC in whose place he is appointed.

Meetings

6. The members of the RCC may elect from their number a Chairman. Until that election, the Chairman shall be the person appointed by the Board.
7. The RCC may regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat. The Secretary shall, on the requisition of a member, summon a meeting of the members.
8. The Secretary shall maintain records of the deliberations and proceedings of the RCC and shall produce these records to the Board, and where requested, to MAS.
9. Seven days' notice, or such shorter notice as may be agreed by members, will be given by the Secretary, specifying the place, time and agenda of the meeting.
10. The quorum necessary for the transaction of the business of the RCC shall be 2.

11. If, at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the meeting, the members present may choose one of the other independent members to be Chairman of the meeting.
12. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
13. A resolution in writing, signed by a majority of the members for the time being entitled to receive notice of a meeting of the RCC, shall be valid as effectual as if it had been passed at a meeting of the RCC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.
14. Minutes of all proceedings of meetings of the RCC shall be recorded by the Secretary and circulated to all the members. The minutes are to be signed by the Chairman of the meeting. The minutes books shall be kept by the Secretary and shall be open for inspection by any director of the company's Board.
15. The Chairman of the RCC shall report on the proceedings of the committee to the Board by way of submission of minutes of the committee meetings or by such other mode as the Chairman shall in his discretion deem fit.

Responsibilities

16. The principal responsibilities of the RCC shall be to:-
 - (a) review the adequacy of the arrangements within the SGX group for dealing with any perceived and actual conflict between:-
 - i) the interests arising from the regulation and supervision of:-
 - (A) the members of any SGX company; and
 - (B) the relevant corporations listed for quotation on a

- securities market operated by any SGX company; and
 - ii) the commercial interests of any SGX company or SGX group's responsibility to its shareholders, including any conflict of interest or potential conflict of interest arising as a result of the listing of the shares of SGX on any market operated by an SGX company; and
- (b) carry out regular reviews of the adequacy of the plans, budget and resources of the SGX group and any SGX company in relation to the regulation and supervision of
- (i) the members of any SGX company; and
 - (ii) the relevant corporations listed for quotation on a securities market operated by any SGX company, and report to the Board if it is of the view that insufficient funding or other resources are being devoted by SGX, to the supervision of members, their subsidiaries and the relevant corporations listed for quotation on a securities market operated by any SGX company; and
- (c) deal with such perceived or actual conflict between regulatory and commercial interests that may be referred to it from time to time.
17. Where it determines that a conflict of interest or potential conflict of interest does or may arise as a result of the listing of SGX shares on any SGX company, the RCC shall:
- (a) notify MAS of all relevant facts, including any proposals for resolving the matter in a manner which assures the proper performance of any relevant regulatory functions; and
 - (b) provide such information as may be requested by MAS for purposes of determining whether the SGX group's regulatory functions can be discharged without MAS' intervention.