

**QUESTIONS SUBMITTED BY THE MINORITY SHAREHOLDERS WATCH GROUP (MSWG) VIDE  
LETTER DATED 21 MARCH 2025 PRIOR TO THE 48<sup>TH</sup> AGM  
(AS AT 27 MARCH 2025)**

NO.	QUESTION	ANSWER
	<b>Operational &amp; Financial Matters</b>	
<b>Q1</b>	<p>Bursa Malaysia set a profit before tax (PBT) target of between RM369 million and RM408 million for FY2025, compared to the actual PBT of RM410.4 million in FY2024 (page 78 of Integrated Annual Report 2024). In the meantime, the Exchange expects the annual growth rate of non-trading revenue to decline to between 5% and 7% from 11% in FY2024. What are the key assumptions and factors underpinning the conservative PBT target for FY2025 vis-à-vis PBT in FY2024? Additionally, what are the key factors contributing to the anticipated slowdown in the annual growth rate of non-trading revenue, from 11% in FY2024 to a projected 5% to 7%? How do macroeconomic conditions, market dynamics, and regulatory developments influence these projections?</p>	<p>Our FY2025 Headline KPI Target for PBT of between RM369 mil to RM408 million is slightly lower than FY2024 PBT of RM410.4 million. The Headline KPIs for 2025 were cautiously set towards the end of 2024, which took into consideration the market outlook, ADV consensus of the industry and analysts, and particularly the uncertainty of US economic and trade policies from Trump presidency. This KPI target also takes into consideration the higher costs to be incurred as we invest in systems and staff.</p> <p>As for the non-trading revenue, we have consistently maintained the target growth rate of between 5%-7% for FY2025, similar to the target growth rate set in FY2024 against FY2023. In addition, there was a one-off review on the market data fees that contributed to the higher growth in the non-trading revenue in FY2024.</p> <p>Our leading indicators can be subject to revisions, depending on market conditions going forward. We will continue to closely monitor the developments and progress with respect to our targets and provide updates, where necessary.</p>
<b>Q2</b>	<p>The operationalisation of the Regulatory Subsidiary (RegSub) is pending issuance of the relevant laws/regulations.</p> <p>In the meantime, Regulatory Committees comprising the Regulatory and Conflicts Committee (RACC), Listing Committee, Market Participants Committee, and Appeals Committee have been set up to deliberate and decide on regulatory matters to ensure Bursa Malaysia upholds its obligation to safeguard the public interest. The Asian Corporate Governance Association (ACGA) in the Asean Chapter of its CG Watch 2023 report published in June 2024, maintained its scoring and did not award a higher score on corporate governance (CG) reform, citing the delay in launching Bursa Malaysia RegSub. This suggests ACGA's continued</p>	<p>Pending the formalisation and full implementation of RegSub, all governance and operational procedures are being observed as though the structure were already in place. This includes the composition of the Regulatory Committees, as well as their terms of reference and governance framework.</p> <p>Amendments to the CMSA have secured approval from the Attorney-General's Chambers and are awaiting parliamentary tabling. However, no definitive timeline has been established for this process.</p> <p>Meanwhile, additional corporate governance reforms have been enacted, including the introduction of a "soft" nine-year and "hard" twelve-year tenure limit for independent directors.</p>

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	concerns regarding the progress and implementation of the RegSub. Please provide an update on the expected timeline for RegSub's operation. Additionally, what are the key challenges or regulatory hurdles delaying its operation? How is Bursa Malaysia addressing the concerns raised by ACGA regarding CG reforms and the independence of the regulatory function?	
<b>Q3</b>	<p>The Securities Commission Malaysia (SC) is in talks with investment bankers, stockbroking companies, rating agencies and other market participants, as it is looking to revamp existing fee structures and impose a levy — an additional sum that in some instances may go up as high as 1.5% — on revenue derived from regulated activities.</p> <p>Will Bursa Malaysia be affected by the review and potential revamp of the fee structure by the SC? If so, to what extent is the expected impact?</p>	Yes, the Securities Commission Malaysia (SC) is in discussion with Bursa Malaysia Berhad, as part of SC's current fee review exercise. The discussion with the SC is still underway. Should there be a material impact to earnings, we will make the necessary announcement to our shareholders accordingly.
<b>Corporate Governance Matters</b>		
<b>Q1</b>	<p>Bursa Malaysia seeks shareholders' approval for the payment of benefits payable to the Non-Executive Chairman and Non-Executive Directors of up to an amount of RM2.4 million (Resolution 7), representing a 20% increase or RM400,000 from RM2 million previously.</p> <p>The proposed increment is due to a proposed increase in the fixed allowance paid to RACC Members, from RM60,000 to RM150,000 per annum (page 6, Notice of 48th Annual General Meeting).</p> <p>What are the key reasons behind the significant increase in the amount of fixed allowance for RACC Members? Will there be an increase in fixed allowance paid to the RACC Chairman as well, which is stated as RM90,000 per annum (page 3, Bursa Malaysia's Board Remuneration Policy as at 1 April 2023)?</p>	<p>The key reasons for the proposed increase in the fixed allowance paid to Regulatory and Conflicts Committee (RACC) Members were as follows:</p> <ol style="list-style-type: none"> <li>1) Opportunity Cost - Under the RACC Terms of Reference (TOR) and Charter, the RACC Members are not allowed to accept employment/ appointment at certain entities such as full-time employment at PLCs and appointment as Directors/Officers at entities that are licensed as market participants of Bursa Malaysia Group, to avoid potential conflict of interest. With these restrictions, it would be challenging for the RACC Members to identify any suitable opportunity in other companies.</li> <li>2) Time Cost - Based on a time cost analysis, RACC Members are currently paid 57% lower than that of the average remuneration of Non-Executive Directors (NEDs) across the top 100 public listed companies in Malaysia.</li> <li>3) Significant roles and responsibilities under the current Bursa Malaysia governance model – This is</li> </ol>

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	<p>Additionally, how does the proposed fixed allowance paid to RACC members compare with industry benchmarks or stock exchanges with similar governance structures?</p>	<p>in the oversight of the regulatory functions of Bursa Malaysia Group as an Exchange Holding Company. Hence, the risk oversight espoused on the RACC Members.</p> <p>4) Competitiveness across the greater market - The RACC Members remuneration is slightly below the average adjusted remuneration for Singapore Exchange Limited (SGX) Regulation Committee (RegCo).</p> <p>Taking into consideration of the above, the Board agreed on the following Nomination and Remuneration Committee's recommendations:</p> <ul style="list-style-type: none"> <li>• The RACC Members should be compensated appropriately given their significant roles and responsibilities under the current Bursa Malaysia governance model as well as the opportunity cost and time cost involved.</li> <li>• RACC Members fixed allowance be increased as this would serve as an incentive for talent attraction and retention of the RACC Members.</li> </ul> <p>Yes, there will be an increase in the Fixed Allowance of the RACC Chairman from RM90,000 per annum to RM200,000 per annum. It should be noted that in accordance with the TOR of RACC, the RACC Chairman shall be an independent individual with significant capital market and regulatory experience, appointed by the Board of Bursa Malaysia in consultation with the SC. He or she shall not be a Director of Bursa Malaysia, and also not allowed to hold any directorship in PLCs.</p> <p>In assessing the RACC Members' remuneration, the comparators used by Deloitte Business Advisory Sdn Bhd (Deloitte) were as follows:</p> <ul style="list-style-type: none"> <li>(a) Small and medium sized exchanges - Bahrain Bourse, Philippine Stock Exchange, Pakistan Stock Exchange, Nigerian Exchange, New Zealand Exchange (NZ) and Bursa RegSub.</li> <li>(b) International Regulatory Subsidiary – SGX RegCo and NZ RegCo as part of New Zealand's Stock Exchange Group.</li> </ul>

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		<p>(c) Capital Market Regulator - Monetary Authority of Singapore, Financial Conduct Authority United Kingdom, Securities and Futures Commission Hong Kong, Securities and Exchange Commission United States and SC.</p> <p>Based on the benchmark against the above comparators, Deloitte's findings were as follows:</p> <ol style="list-style-type: none"> <li>1) Against small and medium sized exchanges, on a Purchasing Power Parity (PPP) adjusted basis, the remuneration of the Bursa RegSub Chairman is currently above the remuneration of chairmen across selected small and medium sized exchanges. This also applies to the average remuneration of the Bursa RegSub NEDs.</li> <li>2) Against the SGX RegCo and NZ RegCo, the average NED remuneration of the Bursa RegSub is RM118,667 which is slightly below the average PPP adjusted remuneration figure for SGX RegCo NEDs, but higher than the adjusted average PPP figures of NZ RegCo NEDs of RM41,994.</li> <li>3) Against other capital market regulators, when considering direct exchange rates, the average NED remuneration stands at RM202,705 whilst RACC's average is RM118,667. For a more direct and holistic comparison, PPP conversion rates reflect an overall average of RM136,185.</li> </ol> <p>It should be noted that not all the comparators above carry similar restrictions to the RACC Members as highlighted earlier.</p>