

CIRCULAR TO: FULL MEMBERS No: 55/00

2000 ELECTION OF FULL MEMBER DIRECTORS

**PLEASE PASS THIS CIRCULAR TO THE APPROPRIATE PERSON
IN YOUR ORGANISATION WITHOUT DELAY**

The 2000 Annual General Meeting of Full Members of the Exchange will be held on Thursday, 27 April 2000. At that time the two most senior Full Member representatives on the Board must retire, in accordance with Article 9.5(a), and an election must be held to fill the two vacancies.

This year the vacancies arise as the result of the retirement of Mr Jonathan Glass of J P Morgan Australia Pty Limited and Mr Will Wilson of Merrill Lynch (Australia) Futures Limited. The remaining Full Member representatives on the Board are Messrs Damian Kelly of Salomon Smith Barney Australia Capital Markets Pty Limited, Peter McLady of Deutsche Bank AG and Bill Marynissen of Macquarie Bank Limited.

Both Mr Glass and Mr Wilson offer themselves for re-election. Other nominations for the two positions are sought from Full Members.

Persons who are eligible for election at present are Directors or Employees of Full Members. Persons wishing to stand for election must be nominated and seconded by Full Members other than the Full Member of which the person is a Director or Employee. A nomination form is attached. The nomination form shall contain an acknowledgment by the candidate that:

- 1 the candidate is not connected with a Full Member; and
- 2 that the candidate will be resident in Australia during the term of the candidate's office if elected.

These nominations and advices with original signatures must reach the Secretary of the Exchange not later than close of business on Wednesday, 5 April 2000.

Ballot papers will then be forwarded to all Full Members and must be returned to the Exchange by 5.00 pm on Wednesday, 26 April 2000.

In accordance with the Articles of Association the result of the ballot will be declared at the Annual General Meeting.

Potential candidates should bear in mind that the structure and composition of the Board of a demutualised SFE would change from the current arrangements. The terms of office of any directors appointed at the 2000 Annual General Meeting could therefore be for a matter of months only rather than the two years which is it at present.

It is proposed to recommend in the Information Memorandum relating to Demutualisation, which is expected to be sent to Members in May, that:

- **the first Board after demutualisation would comprise the Chief Executive, the existing two independent directors and six other directors appointed by the outgoing Board;**
- **the six appointees may comprise some or all members of the out-going Board; they would all retire at the Annual General Meeting in 2001 and the vacancies so created would be filled by persons elected by the shareholders;**
- **the independent directors would retire at the Annual General Meeting in 2002 and the vacancies so created would be filled by persons elected by the shareholders;**
- **retiring directors would be entitled to offer themselves for re-election.**

BARBARA JONES
COMPANY SECRETARY

13 MARCH 2000

SYDNEY FUTURES EXCHANGE LIMITED
2000 ELECTION OF DIRECTORS
NOMINATION OF FULL MEMBER CANDIDATE DIRECTOR
In Accordance with Article 9.8

CANDIDATE _____

(Please Print Full Name)

1 STATEMENT BY CANDIDATE - ARTICLE 9.8(d)

I confirm that I am not connected with a Full Member (see Note 1) other than the Full Member mentioned in 2 below and will be resident in Australia if elected.

(Signature)

(Date)

2 AGREEMENT BY EMPLOYER AS TO NOMINATION - ARTICLE 9.8(a)

We confirm that the Candidate mentioned above is *Director/ Employee* * of

(Name of Full Member)

and agree to *his/her** nomination.

(Signature)

(Name - please print)

(Signature)

(To be signed by **two Directors**)

(Name - please print)

3 NOMINATOR - see Note 2

(Name of Full Member)

(Date)

(Signature)

(Name - please print)

(Signature)

(To be signed by **two Directors**)

(Name - please print)

4 **SECONDER** - see Note 2_____
(Name of Full Member)_____
(Date)_____
(Signature)_____
(Name - please print)_____
(Signature)_____
(Name - please print)(To be signed by **two Directors**)**Delete as appropriate*

Note 1 A person is deemed to be connected with a Full Member other than the Full Member in which he/she is a Director or Employee, if the person is a Director or Employee of the other Full Member, or has the power to directly or indirectly control the trading decisions of the other Full Members by reason of the holding directly or indirectly of 20% or more of the issued shares in the company carrying voting rights. A person may also be connected with another Full Member in the ordinary sense of the word 'connected'.

Note 2 Candidates must be nominated and seconded by Full Members other than the Full Member of which the candidate is a Director or Employee.