

Pursuant to Chapter 38 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Securities and Futures Commission regulates Hong Kong Exchanges and Clearing Limited in relation to the listing of its shares on The Stock Exchange of Hong Kong Limited. The Securities and Futures Commission takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Hong Kong Exchanges and Clearing Limited
香港交易及結算所有有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 388)

Employees' Share Award Scheme

The amendments to the Scheme Rules and the Trust Deed of the Scheme approved by the Board to (i) facilitate participation of LME employees in the Scheme; (ii) allow the Board to make Senior Executive Awards as long-term incentives for Senior Executives of the Group; and (iii) reflect the appointment of Computershare Hong Kong Trustees Limited as the new trustee of the Scheme become effective on 17 December 2013.

The amendments to the Scheme Rules and the Trust Deed do not affect the subsisting rights of any employees of the Group under the Scheme.

Subject to the relevant amendments to be made to the Scheme Rules and the Trust Deed, the Board has, on the recommendation of the Remuneration Committee, approved the grant of a sum of HK\$4.33 million and HK\$8.65 million to Mr Charles Li Xiaojia, the Chief Executive and Executive Director of HKEx, as Senior Executive Awards, in respect of the performance periods of 2013 – 2015 and 2014 – 2016 respectively, for the purchase of Shares in accordance with the relevant provisions.

Amendments to the Scheme Rules and the Trust Deed

(A) Facilitate participation of LME employees

The objectives of the Scheme are, among others, to give incentives to employees and to retain them for the development of the Group. In order to give incentives to retain selected LME employees for the continual operation and development of the Group, the Board has resolved to update the Scheme Rules and the Trust Deed to facilitate the participation of LME employees in the Scheme.

(B) Senior Executive Awards

Further, for the purposes of aligning the interest of selected employees determined by the Board as Senior Executives with the long-term performance of the Group, the Board has, on the recommendation of the Remuneration Committee, amended the Scheme Rules and the Trust Deed to allow for the grant of Senior Executive Awards to Senior Executives in addition to any other awards which they may be eligible to receive under the Scheme.

The Reference Awarded Sum for any Senior Executive Award shall be determined by the Board, and vesting of the Senior Executive Awards will be conditional upon the satisfaction of performance conditions set by the Board.

The performance conditions to be set by the Board may relate to the performance of the Senior Executive concerned and/or the Group, the satisfaction or contribution by a Senior Executive of certain business or strategic development objectives or other initiatives, and be relative to the performance of other comparator group companies. The performance conditions may be different for different Senior Executives and for different Senior Executive Awards in relation to the same Senior Executive. Further, the Board has the residual discretion under the Amended and Restated Rules relating to the Scheme to amend any performance conditions if any event occurs which causes it to consider that the amended conditions would be a more accurate measure of performance. The Board has full discretion to determine the actual amount of award to be vested in the relevant Senior Executive at the end of a performance period (which shall normally be a period of at least 3 financial years of HKEx) in accordance with the criteria set by the Board, including a combination of total shareholder return performance and other key performance indicators.

(C) Other changes

In addition, tidy-up amendments have been made to the Scheme Rules and the Trust Deed. These amendments include the extension of the last day for settlement of the Reference Amount from 14 September 2015 to 14 September 2017 to align the last day for settlement with the previous change of the vesting period of the Awarded Shares and Related Income under the Scheme from 5 years to 3 years made in 2010.

(D) Change in trustee

In light of the above changes, the Board has appointed Computershare Hong Kong Trustees Limited as the new trustee of the Scheme with effect from the date of the Amended and Restated Trust Deed in respect of the Scheme.

The subsisting rights of all employees of the Group under the Scheme and the basis on which future entitlements will be determined (other than in respect of any Senior Executive Awards in the case of a Senior Executive) will not be affected as a result of the amendments to the Scheme Rules and the Trust Deed.

Grant of Senior Executive Awards to Mr Li

Subject to the relevant amendments to be made to the Scheme Rules and the Trust Deed, the Board has, on the recommendation of the Remuneration Committee, approved the grant of a sum of HK\$4.33 million and HK\$8.65 million to Mr Li, as Senior Executive Awards, in respect of the performance periods of 2013 – 2015 and 2014 – 2016 respectively, for the purchase of Shares in accordance with the relevant provisions. Each of the Senior Executive Awards granted to Mr Li will be vested on the third anniversary of the applicable Reference Date (or such other date as determined by the Board at its discretion) if and to the extent that the Board determines that each of the performance conditions applicable to the Senior Executive Award has either been satisfied or if not satisfied, has been waived by the Board.

Moneys for the purchase of Shares in respect of the Senior Executive Awards granted to Mr Li will be paid to the trustee in accordance with the Amended and Restated Scheme Rules and Trust Deed. Based on today's closing price of HK\$132 per Share, the maximum number of Shares in board lot that can be purchased in total is about 98,300 Shares, which represents approximately 0.01 per cent of the issued share capital of HKEx as at the adoption date of the Scheme (1,062,385,846 Shares).

Definitions

In this announcement, “Awarded Shares”, “Reference Amount”, “Reference Awarded Sum”, “Reference Date” and “Related Income” shall have the same meanings as defined in the Amended and Restated Scheme Rules and Trust Deed; and the following expressions shall have the meanings set out below unless the context otherwise requires:

“Amended and Restated Scheme Rules and Trust Deed”	the Amended and Restated Rules and the Amended and Restated Trust Deed in respect of the Scheme, both of which take effect from 17 December 2013;
“Board”	the board of directors of HKEx;
“Group”	HKEx and its subsidiaries;
“HKEx”	Hong Kong Exchanges and Clearing Limited;
“LME”	LME Holdings Limited and other UK-incorporated subsidiaries of HKEx;
“Mr Li”	Mr Charles Li Xiaojia, the Chief Executive and Executive Director of HKEx;
“Remuneration Committee”	a sub-committee of the Board tasked with the responsibility to consider all remuneration matters of the Group;
“Scheme”	the Employees’ Share Award Scheme adopted by HKEx on 14 September 2005;
“Scheme Rules and the Trust Deed”	the rules and trust deed governing the Scheme dated 13 May 2010 and 22 August 2006 respectively;
“Senior Executives”	employees of the Group determined by the Board as senior executives for the purposes of the Scheme;
“Senior Executive Awards”	awards granted to Senior Executive(s) under the Scheme, which are designated by the Board as Senior Executive Awards pursuant to the Amended and Restated Scheme Rules and Trust Deed; and
“Shares”	shares of HK\$1.00 each in the capital of HKEx.

The Amended and Restated Scheme Rules and Trust Deed are available on the HKEx website at www.hkex.com.hk.

By Order of the Board
Hong Kong Exchanges and Clearing Limited
Joseph Mau
Company Secretary

Hong Kong, 17 December 2013

As at the date of this announcement, HKEx's Board comprises 12 Independent Non-executive Directors, namely Mr CHOW Chung Kong (Chairman), Mr CHAN Tze Ching, Ignatius, Mr Timothy George FRESHWATER, Mr John Barrie HARRISON, Mr HUI Chiu Chung, Stephen, Dr KWOK Chi Piu, Bill, Mr LEE Kwan Ho, Vincent Marshall, Mr LEE Tze Hau, Michael, Mrs LEUNG KO May Yee, Margaret, Mr John Estmond STRICKLAND, Mr John Mackay McCulloch WILLIAMSON and Mr WONG Sai Hung, Oscar, and one Executive Director, Mr LI Xiaojia, Charles, who is also HKEx's Chief Executive.