
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult an exchange participant or other securities dealer licensed as a licensed person under the Securities and Futures Ordinance, bank manager, solicitor, certified public accountant or other professional adviser.

If you have sold or transferred all your shares in Hong Kong Exchanges and Clearing Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, exchange participant or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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 circular, 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 circular.



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

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

**NOTICE OF ANNUAL GENERAL MEETING
AND
PROPOSALS FOR
ELECTION OF DIRECTORS,
GENERAL MANDATES TO BUY BACK SHARES AND TO ISSUE SHARES,
AND ADJUSTING THE NON-EXECUTIVE DIRECTORS' REMUNERATION**

The notice convening the AGM is set out in this circular on pages 3 to 7.

Only light beverages will be served after the meeting.

Whether you are able to attend the AGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed on it and return the completed proxy form to the Company's registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, and in any event so that it is received at least 48 hours before the time appointed for the meeting or adjourned meeting (as the case may be). Submission of a proxy form shall not preclude you from attending the meeting (or any adjournment of such meeting) and voting in person should you so wish.

25 March 2015

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Definitions

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“2014 Annual Report”	annual report for the year ended 31 December 2014 of the Company;
“AGM”	the annual general meeting of HKEx to be held at the Exchange Auditorium in the Exchange Exhibition Hall of The Stock Exchange of Hong Kong Limited on the 1st Floor, One and Two Exchange Square, Central, Hong Kong on Wednesday, 29 April 2015 at 4:30 pm, or, where the context so admits, any adjournment of such annual general meeting;
“Articles of Association”	the articles of association of HKEx;
“Board”	the board of directors of HKEx;
“Company” or “HKEx”	Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong;
“Director(s)”	director(s) of HKEx;
“Financial Secretary”	Financial Secretary of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	19 March 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“SFC”	Securities and Futures Commission;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	share(s) of HKEx;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Code on Takeovers and Mergers as approved by the SFC;
“\$”	Hong Kong dollar; and
“%”	per cent.

References to time and dates in this circular are to Hong Kong time and dates.

Letter from the Board of Directors



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

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

Independent Non-executive Directors

CHOW Chung Kong (Chairman)
CHAN Tze Ching, Ignatius
Timothy George FRESHWATER
John Barrie HARRISON
HU Zulu, Fred
HUI Chiu Chung, Stephen
KWOK Chi Piu, Bill
LEE Kwan Ho, Vincent Marshall
LEE Tze Hau, Michael
LEUNG KO May Yee, Margaret
John Mackay McCulloch WILLIAMSON
WONG Sai Hung, Oscar

Registered Office

12th Floor
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Executive Director

LI Xiaojia, Charles (Chief Executive)

25 March 2015

Dear Shareholders,

On behalf of the Board, it is my pleasure to invite you to HKEx's annual general meeting to be held at the Exchange Auditorium in the Exchange Exhibition Hall of the Stock Exchange on the 1st Floor, One and Two Exchange Square, Central, Hong Kong on Wednesday, 29 April 2015 at 4:30 pm. Registration will start at 3:30 pm.

The notice of the AGM is set out on pages 3 to 7. Information regarding the business to be considered at the AGM is set out on pages 8 to 12. If you do not plan to attend the AGM, I encourage you to appoint a proxy to attend and vote on your behalf at the AGM.

The Board considers that the proposed resolutions as set out in the notice of the AGM are in the best interests of HKEx and its Shareholders as a whole, and recommends you to vote in favour of all the resolutions at the AGM.

Matters regarding Shareholders' rights to attend and vote at the AGM are set out in Appendix III of this circular. If you have any questions concerning the AGM, please contact the Company's registrar at +852 2862 8555.

Your participation at the AGM is welcome and my fellow directors and I look forward to meeting you at the AGM.

Yours faithfully,
By Order of the Board
HONG KONG EXCHANGES AND CLEARING LIMITED
CHOW Chung Kong
Chairman

Notice of Annual General Meeting



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

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

NOTICE IS HEREBY GIVEN THAT the annual general meeting of shareholders of Hong Kong Exchanges and Clearing Limited (“HKEx”) will be held at the Exchange Auditorium in the Exchange Exhibition Hall of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) on the 1st Floor, One and Two Exchange Square, Central, Hong Kong on Wednesday, 29 April 2015 at 4:30 pm for the following purposes:

1. to receive the audited Financial Statements for the year ended 31 December 2014 together with the Reports of the Directors and Auditor thereon;
2. to declare a final dividend;
3. to elect Directors;
4. to re-appoint PricewaterhouseCoopers as the Auditor and to authorise the Directors to fix its remuneration;

and to consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolutions:

5. **“THAT:**
 - (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of HKEx during the Relevant Period (as defined below) of all the powers of HKEx to buy back shares of HKEx on the Stock Exchange or on any other stock exchange on which the shares of HKEx may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange (as applicable) as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate number of shares to be bought back pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent of the number of issued shares of HKEx at the date of the passing of this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of HKEx into a larger or smaller number of shares in accordance with section 170(2)(e) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) after the passing of this Resolution), and the said approval shall be limited accordingly; and

Notice of Annual General Meeting

- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until the earlier of:

- (i) the conclusion of the next annual general meeting of HKEx;
- (ii) the expiry of the period within which the next annual general meeting of HKEx is required by law to be held; and
- (iii) the passing of an ordinary resolution by shareholders of HKEx in general meeting revoking or varying the authority given to the Directors of HKEx by this Resolution.”

6. **“THAT:**

- (a) subject to paragraphs (b) and (c) of this Resolution, the exercise by the Directors of HKEx during the Relevant Period (as defined below) of all the powers of HKEx to allot, issue and deal with additional shares of HKEx, to grant rights to subscribe for, or convert any security into, shares in HKEx (including the issue of any securities convertible into shares, or options, warrants or similar rights to subscribe for any shares) and to make or grant offers, agreements and options which would or might require the exercise of such power(s) during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved;
- (b) other than in respect of an Excluded Issue (as defined below), the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of HKEx pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent of the number of issued shares of HKEx at the date of the passing of this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of HKEx into a larger or smaller number of shares in accordance with section 170(2)(e) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) after the passing of this Resolution);
- (c) other than in respect of an Excluded Issue (as defined below), any shares of HKEx to be allotted and issued (whether wholly or partly for cash or otherwise) pursuant to the approval in paragraph (a) of this Resolution shall not be at a discount of more than 10 per cent of the Benchmarked Price (as defined below) of such shares of HKEx; and
- (d) for the purposes of this Resolution:

“Benchmarked Price” means the higher of:

- (i) the closing price of the shares of HKEx as quoted on the Stock Exchange on the date of the agreement involving the relevant proposed issue of shares of HKEx; and

Notice of Annual General Meeting

- (ii) the average closing price as quoted on the Stock Exchange of the shares of HKEx for the 5 trading days immediately preceding the earlier of the date:
 - (A) of announcement of the transaction or arrangement involving the relevant proposed issue of shares of HKEx, (B) of the agreement involving the relevant proposed issue of shares of HKEx and (C) on which the price of shares of HKEx that are proposed to be issued is fixed.

“Excluded Issue” means:

- (i) a Rights Issue (as defined in this paragraph (d));
- (ii) any scrip dividend or similar arrangement pursuant to the Articles of Association of HKEx from time to time;
- (iii) the grant of options or rights to acquire shares in HKEx or an issue of shares in HKEx upon the exercise of options or rights granted under any option scheme or similar arrangement for the time being adopted and approved by shareholders of HKEx; or
- (iv) the exercise of rights of subscription or conversion under the terms of any options, warrants or similar rights granted by HKEx or any securities which are convertible into shares of HKEx.

“Relevant Period” means the period from the passing of this Resolution until the earlier of:

- (i) the conclusion of the next annual general meeting of HKEx;
- (ii) the expiry of the period within which the next annual general meeting of HKEx is required by law to be held; and
- (iii) the passing of an ordinary resolution by shareholders of HKEx in general meeting revoking or varying the authority given to the Directors of HKEx by this Resolution.

“Rights Issue” means an offer of shares of HKEx or an issue of options, warrants or other securities giving the right to subscribe for shares of HKEx, open for a period fixed by the Directors of HKEx to holders of shares of HKEx on the register of members on a fixed record date in proportion to their then holdings of such shares of HKEx (subject to such exclusions or other arrangements as the Directors of HKEx may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

- 7(a). **“THAT** until shareholders of HKEx in general meeting otherwise determine, remuneration of HK\$2,100,000 be payable to the Chairman of HKEx for the period from the conclusion of each annual general meeting of HKEx to the conclusion of the annual general meeting of HKEx to be held in the immediately following year, provided that such remuneration be payable in proportion to the period of service if the Chairman has not served the entire period.”

Notice of Annual General Meeting

7(b). “**THAT** until shareholders of HKEx in general meeting otherwise determine, in addition to the attendance fee of HK\$3,000 per meeting, remuneration of HK\$200,000 and HK\$120,000 respectively be payable to the chairman and each of the other members of the Audit Committee of HKEx, and HK\$180,000 and HK\$120,000 respectively be payable to the chairman and each of the other members in respect of each committee that such person is the chairman or member (excluding executive Director, if any) of the Executive Committee, Investment Advisory Committee, Remuneration Committee and Risk Committee of HKEx for the period from the conclusion of each annual general meeting of HKEx to the conclusion of the annual general meeting of HKEx to be held in the immediately following year, provided that such remuneration be payable in proportion to the period of service if a committee member has not served the entire period.”

By Order of the Board
HONG KONG EXCHANGES AND CLEARING LIMITED
Joseph Mau
Company Secretary

Hong Kong, 25 March 2015

Notes:

- (1) An eligible shareholder is entitled to appoint one or more proxies to attend, speak and vote in his/her stead at the above meeting (or at any adjournment of it) provided that each proxy is appointed to represent the respective number of shares held by the shareholder as specified in the relevant proxy form. The proxy does not need to be a shareholder of HKEx.
- (2) Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment of it), either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of HKEx in respect of the relevant joint holding.
- (3) In order to be valid, the completed proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong), must be received by HKEx’s registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong at least 48 hours before the time appointed for holding the above meeting or adjourned meeting (as the case may be).
- (4) For the purposes of determining shareholders’ eligibility to attend, speak and vote at the above meeting, and entitlement to the final dividend, the register of members of HKEx will be closed as set out below:
 - (i) For determining eligibility to attend, speak and vote at the above meeting:

Latest time to lodge transfer documents for registration with HKEx’s registrar	At 4:30 pm on Friday, 24 April 2015
Closure of register of members	Monday, 27 April 2015 to Wednesday, 29 April 2015 (both dates inclusive)
Record date	Wednesday, 29 April 2015
 - (ii) For determining entitlement to the final dividend:

Latest time to lodge transfer documents for registration with HKEx’s registrar	At 4:30 pm on Tuesday, 5 May 2015
Closure of register of members	Wednesday, 6 May 2015 to Thursday, 7 May 2015 (both dates inclusive)
Record date	Thursday, 7 May 2015

Notice of Annual General Meeting

During the above closure periods, no transfer of shares will be registered. To be eligible to attend, speak and vote at the above meeting, and to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with HKEx's registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than the aforementioned latest time.

- (5) There will be 3 vacancies on the Board to be filled at the above meeting following the retirement of Mr T C Chan, Dr Fred Hu and Mr John Williamson. If a shareholder wishes to nominate a person to stand for election as a Director, (i) his/her notice of intention to propose a resolution at the above meeting; and (ii) a notice executed by the nominated candidate of his/her willingness to be appointed together with (A) that candidate's information as required to be disclosed under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), and (B) the candidate's written consent to the publication of his/her personal data, have to be validly served **no later than Wednesday, 1 April 2015** on the Company Secretary at 12th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong. Further details are set out in Appendix I to the circular dated 25 March 2015.
- (6) As a good corporate governance practice, all Non-executive Directors who are shareholders of HKEx will abstain from voting at the above meeting on Resolutions 7(a) and 7(b) concerning the adjustment of the Non-executive Directors' remuneration.
- (7) Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this Notice will be decided by poll at the above meeting.
- (8) The registration for attending the above meeting will start at 3:30 pm on 29 April 2015.
- (9) The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.
- (10) If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 12:00 noon on the date of the meeting, the meeting will be postponed or adjourned. HKEx will post an announcement on the HKEx website (www.hkex.com.hk) and HKExnews website (www.hkexnews.hk) to notify shareholders of the date, time and place of the rescheduled meeting.

The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather condition bearing in mind their own situations.

Business of Annual General Meeting

RESOLUTION 1 – RECEIVING THE AUDITED FINANCIAL STATEMENTS

The audited financial statements of HKEx for the year ended 31 December 2014 together with the Report of Directors, are set out in the 2014 Annual Report which are available in English and Chinese under the About HKEx (Financial Statements) section of the HKEx website (www.hkex.com.hk) and the HKExnews website (www.hkexnews.hk).

The financial statements were audited by PricewaterhouseCoopers (“PwC”) and reviewed by the Audit Committee. The reports of the Auditor and of the Audit Committee are set out respectively on page 102, and pages 84 and 85 of the 2014 Annual Report.

RESOLUTION 2 – DECLARATION OF FINAL DIVIDEND (WITH A SCRIP ALTERNATIVE)

The Board recommends the payment of a final dividend of \$2.15 per Share to Shareholders whose names appear on the register of members of HKEx on 7 May 2015. Along with the interim dividend, the total dividend for the year ended 31 December 2014 amounted to \$3.98 (2013: \$3.54) per Share, which is at a payout ratio of about 90% (2013: 90%).

The proposed final dividend will be offered with a scrip alternative for Shareholders to elect to receive such final dividend wholly or partly in the form of new fully paid Shares instead of in cash (“Scrip Dividend Scheme”), subject to the passing of Resolutions 2 and 6. In the event that Resolution 6 is declined by Shareholders, the approved final dividend will be paid in cash only. A circular containing details of the Scrip Dividend Scheme, where available, and an election form (where applicable) are expected to be despatched to Shareholders on or about Wednesday, 13 May 2015. The Scrip Dividend Scheme is also conditional upon the SFC’s granting the listing of, and permission to deal in, new Shares to be issued pursuant thereto.

Subject to Shareholders’ approval, and the SFC’s granting the listing of, and permission to deal in, such new Shares, the dividend warrants and definitive certificates for new Shares are expected to be despatched to the respective Shareholders concerned on Friday, 5 June 2015.

RESOLUTION 3 – ELECTION OF DIRECTORS

Board of Directors

The Board currently consists of 13 Directors including:

- (i) 6 Directors appointed by the Financial Secretary (“Government Appointed Directors”), namely Mr C K Chow, Mr Tim Freshwater, Mr John Harrison, Mr Stephen Hui, Mr Michael Lee and Mrs Margaret Leung;
- (ii) 5 Directors elected by Shareholders (“Elected Directors”), namely Mr T C Chan, Dr Bill Kwok, Mr Vincent Lee, Mr John Williamson and Mr Oscar Wong;
- (iii) Dr Fred Hu who was appointed by the Board on 10 November 2014 to fill a casual vacancy (“Board Appointed Director”); and
- (iv) the Chief Executive, Mr Charles Li, as an ex-officio Director.

Business of Annual General Meeting

Retiring Government Appointed Directors

The service terms of 4 Government Appointed Directors, namely, Mr John Harrison, Mr Stephen Hui, Mr Michael Lee and Mrs Margaret Leung, will expire at the conclusion of the AGM. Pursuant to Article 88(4) of the Articles of Association, all of them are eligible for re-appointment.

Pursuant to section 77 of the SFO, the Government Appointed Directors are appointed by the Financial Secretary. Accordingly, the retiring Government Appointed Directors are not subject to election or re-election by Shareholders. HKEx will make an announcement on the appointments of Government Appointed Directors as soon as the results are known.

Retiring Elected Directors and Board Appointed Directors

Mr T C Chan's and Mr John Williamson's respective term of office will expire at the conclusion of the AGM. Pursuant to Article 91(2) of the Articles of Association, both of them are eligible for re-appointment.

Dr Fred Hu's term of office will, pursuant to Article 90 of the Articles of Association, expire at the end of the AGM, and he is eligible for re-appointment.

Recommendations of the Nomination Committee

On 5 March 2015, the Nomination Committee comprising solely Independent Non-executive Directors, after having reviewed the Board's composition, nominated Mr T C Chan, Dr Fred Hu and Mr John Williamson to the Board for it to recommend them to stand for election by Shareholders at the AGM. Mr Chan and Mr Williamson who are members of the Nomination Committee abstained from voting at the meeting when their respective candidatures were being considered. The nominations were made in accordance with the Nomination Policy and the objective criteria (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out in the Board Diversity Policy. The Nomination Committee had also taken into account their respective contributions to the Board and their firm commitment to their roles. As a good corporate governance practice, Mr Chan, Dr Hu and Mr Williamson each abstained from voting at the Board meeting regarding their respective recommendations.

The Nomination Committee is also responsible for, inter alia, assessing the independence of Independent Non-executive Director. On 5 March 2015, the Nomination Committee assessed and reviewed individual Director's annual confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules, and affirmed that all Non-executive Directors including, Mr Chan, Dr Hu and Mr Williamson, remained to be independent.

The Board considers that the re-election or election (as the case may be) of Mr Chan, Dr Hu and Mr Williamson is in the best interest of HKEx and Shareholders as a whole.

Information of Mr Chan, Dr Hu and Mr Williamson including, their biographical details, interests in Shares, and attendance record at meetings of the Board and other committees and panels, is set out in Appendix I to this circular.

Business of Annual General Meeting

Shareholders may, if thought fit, nominate other candidates to stand for election as Director(s) at the AGM to fill the 3 vacancies available consequent on the retirement of Mr Chan, Dr Hu and Mr Williamson.

The resolutions relating to the election of Directors will be proposed under item 3 of the notice of the AGM. Shareholders will be invited to vote on each resolution proposed for a candidate. Matters in relation to nominations by Shareholders, and a sample of resolution for determining which 3 candidates to be elected where there are more than 3 candidates standing for election at the AGM are set out in Appendix I to this circular.

RESOLUTION 4 – RE-APPOINTMENT OF AUDITOR AND SETTING OF AUDITOR’S REMUNERATION

For the year ended 31 December 2014, the external auditor’s fees were approximately \$17 million (2013: \$15 million), of which about \$12 million (2013: \$9 million) was for audit services.

Besides determining its fees, the Audit Committee also reviewed the work of PwC, the external auditor, and was satisfied with its independence and objectivity. The Audit Committee recommended the re-appointment of PwC which has expressed its willingness to continue in office for the ensuing year.

The resolution under item 4 of the notice of the AGM is the proposed re-appointment of PwC as the auditor and authorising the Directors to fix the auditor’s remuneration.

RESOLUTION 5 – GENERAL MANDATE TO BUY BACK SHARES

Given the general mandate to buy back Shares granted by Shareholders at the last annual general meeting will lapse at the conclusion of the AGM, an ordinary resolution will be proposed at the AGM to grant to the Directors a general mandate to buy back Shares up to an aggregate number of Shares not exceeding 10% of the number of issued Shares at the date of the passing of the relevant resolution (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with section 170(2)(e) of the Companies Ordinance after the passing of the relevant resolution) (“Buy-back Mandate”).

An explanatory statement, as required by the Listing Rules in connection with the Buy-back Mandate and also constituting the memorandum required under section 239(2) of the Companies Ordinance, is set out in Appendix II to this circular, which contains the information reasonably necessary to enable Shareholders to make an informed decision on whether or not to support the proposed resolution.

The Buy-back Mandate to be sought from Shareholders is in compliance with the Companies Ordinance and the Listing Rules.

Details of the proposed resolution on the Buy-back Mandate are set out in Resolution 5 of the notice of the AGM.

Business of Annual General Meeting

RESOLUTION 6 – GENERAL MANDATE TO ISSUE SHARES

Under sections 140 and 141 of the Companies Ordinance, directors of a company shall not, without shareholders' prior approval, exercise any power to allot shares in the company or to grant rights to subscribe for, or to convert any security into, shares in the company, unless the offer is made to all shareholders in proportion to their shareholdings or a general issue mandate has been approved by shareholders. Given the general mandate to issue Shares granted by Shareholders at the last annual general meeting will lapse at the conclusion of the AGM, it is proposed to renew the mandate at the AGM.

As explained in Resolution 2 above, the Directors propose to offer Shareholders the right to receive their dividends in the form of Shares instead of cash. The proposed general mandate given to Directors to issue and allot Shares as set out in Resolution 6 would, among other things, give Directors greater flexibility to exclude any Shareholders from the Scrip Dividend Scheme where it would be necessary or expedient to do so on account of either: (i) the legal restrictions under the laws of the relevant place; or (ii) the requirements of the relevant regulatory body or stock exchange in that place.

The proposed mandate size is limited to, and does not exceed, 10% of the number of issued Shares (other than in respect of an Excluded Issue as defined in Resolution 6) at the date of passing the relevant resolution (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with section 170(2)(e) of the Companies Ordinance after the passing of the relevant resolution) ("Issue Mandate"). Any Shares to be allotted and issued (other than in respect of an Excluded Issue as defined in Resolution 6), whether for cash or otherwise, under the authority granted by the proposed Issue Mandate shall not be at a discount of more than 10% to the "benchmark price" (as described in Rule 13.36(5) of the Listing Rules).

The purpose of the proposed Issue Mandate is to give the Directors flexibility to issue and allot Shares pursuant to (i) the Scrip Dividend Scheme and (ii) any capital raising need that may arise from time to time where the Directors believe it is in the best interests of Shareholders to do so.

HKEx has always believed in maintaining a strong balance sheet and maximum strategic flexibility bearing in mind the volatile market place and rapidly changing landscape in which it operates. It is the intention of the Board to keep the proposed Issue Mandate on a long-term basis to give HKEx the financial flexibility which it needs to grow its business and maximise shareholder value.

Details of the proposed resolution on the Issue Mandate are set out in Resolution 6 of the notice of the AGM.

RESOLUTIONS 7(a) AND 7(b) – ADJUSTING THE NON-EXECUTIVE DIRECTORS' REMUNERATION

Article 86(1) of the Articles of Association provides that the Directors' ordinary remuneration shall from time to time be determined by the Company in general meeting.

In early 2015, a review of the non-executive directors' remuneration for HKEx and its certain subsidiaries was carried out by the Remuneration Committee of HKEx ("Remco"). McLagan, an independent professional firm specialising in performance and rewards for the financial services industry, was engaged to conduct a detailed analysis of market practices

Business of Annual General Meeting

and advised on any adjustments required to ensure our non-executive directors' remuneration is competitive and appropriate. The analysis included a benchmarking exercise covering listed exchanges, banks, the FTSE100 constituent companies and Hang Seng Index constituent companies.

After considering the consultant's analysis and recommendation, the Remco (none of the Remco members participated in the decision on his or her remuneration changes) recommended increases in the remuneration for Non-executive Directors. The Board (none of the Board members participated in the decision on his or her remuneration changes) endorsed and recommended the following fee changes for Shareholders' approval at the AGM:

	Current Fee (\$)	Proposed Fee (\$)
HKEx's Chairman	1,500,000	2,100,000
Audit Committee		
– Chairman	180,000	200,000
– Other member	100,000	120,000
Executive Committee¹, Investment Advisory Committee, Remco and Risk Committee²		
– Chairman	150,000	180,000
– Other member	100,000	120,000

1 Excluding the Executive Director

2 The Board on 5 March 2015 resolved to establish a Risk Committee to be responsible for HKEx group's enterprise-wide risk management including overseeing the relevant risk management systems and ensuring that they are compatible with HKEx group's strategy and risk appetite. The Risk Committee's composition and terms of reference are available on the HKEx website. Subject to Shareholders' approval of the proposed fees, remuneration will start to be paid to members of the Risk Committee.

Other than the proposed changes as set out above, no other adjustment will be made to the fee payable to Non-executive Directors (\$700,000 per annum) and attendance fee for certain committees meetings (\$3,000 per meeting).

Details of the proposed resolutions on the adjustment to the remuneration of HKEx's Chairman and members of the above committees are set out in Resolutions 7(a) and 7(b) respectively. RC considers that the proposed remuneration is reasonable, and if approved by Shareholders, will remain in effect until otherwise determined in a general meeting.

The proposed Resolutions 7(a) and 7(b) as set out in the notice of the AGM will be voted separately by Shareholders at the AGM. As a good corporate governance practice, all Non-executive Directors who are Shareholders will abstain from voting on the proposed resolutions relating to their remuneration at the AGM.

LIST OF CANDIDATES

Information of the 3 candidates standing for election as Directors at the AGM, Mr T C Chan, Dr Fred Hu and Mr John Williamson, is set out below in alphabetical order:

1. Mr CHAN Tze Ching, Ignatius BBS, JP
Independent Non-executive Director (aged 58)

Director since	Board/committee/panel memberships held within HKEx group	Meetings attended/held in 2014		Remuneration for 2014 (\$)
23 April 2009	HKEx <ul style="list-style-type: none"> • Board • Audit Committee • Nomination Committee • Risk Committee • Risk Management Committee (statutory) • Clearing Consultative Panel (deputy chairman) • Panel Member Nomination Committee (chairman) 	10/10 4/4 2/2 –/– ¹ 11/12 2/2 –/– ²	100% 100% 100% N/A 92% 100% N/A	675,000 109,500 – – – – – – – – <u>784,500</u>
Interests in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date (no. of Shares)				–
Other major offices	<ul style="list-style-type: none"> • Affin Holdings Berhad (listed on Bursa Malaysia) – non-executive director (2013~) • CVC Capital Partners Limited – senior adviser (2010~) • Mongolian Mining Corporation * – independent non-executive director (2010~) • Rizal Commercial Banking Corporation (listed on the Philippine Stock Exchange) – non-executive director (2011~) • The Bank of East Asia Limited * – senior adviser (2009~) 			
Past offices	<ul style="list-style-type: none"> • Bank of China (Hong Kong) Limited – deputy chief executive (2008) • Citigroup (1980-2007: Citigroup country officer for Hong Kong and head of corporate and investment banking business for Greater China (2005-2007), chief operating officer for Greater China (2004-2005), and Citigroup country officer for Taiwan (2003-2005)) • Larry Jewelry International Company Limited * – independent non-executive director (2012-2014) 			
Public service	<ul style="list-style-type: none"> • Financial Reporting Council – member (2014~) • Hong Kong Tourism Board – member (2013~) • Investor Education Centre (established by the SFC) – member of Executive Committee (2012~) • Standing Commission on Civil Service Salaries and Conditions of Service – member (2014~) 			
Qualifications	<ul style="list-style-type: none"> • Bachelor of Business Administration and Master of Business Administration (University of Hawaii, US) • Certified Public Accountant (American Institute of Certified Public Accountants) 			
<p>1 Mr Chan was appointed as a member of the Risk Committee effective 5 March 2015. 2 No meeting of these committees took place in 2014. * Currently listed on the Stock Exchange</p>				

2. Dr HU Zuli, Fred

Independent Non-executive Director (aged 51)

Director since	Board/committee/panel memberships held within HKEx group	Meetings attended/held in 2014		Remuneration for 2014 (\$)
10 November 2014	HKEx <ul style="list-style-type: none"> Board 	1/1 ¹	100%	99,167 <u>99,167</u>
Interests in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date (no. of Shares)				–
Other major offices	<ul style="list-style-type: none"> Dalian Wanda Commercial Properties Co Ltd * – independent non-executive director (2014~) Hang Seng Bank Limited * – independent non-executive director (2011~) Lloyd's – council member (2014~) Primavera Capital Limited – founder and chairman (2011~) SCMP Group Limited * – independent non-executive director (2010~) Shanghai Pudong Development Bank Co Ltd (listed on the Shanghai Stock Exchange) – external supervisor (2008~) Sotheby's Hong Kong Limited – adviser (2012~) Tsinghua University – professor and co-director of National Center for Economic Research (1996~) 			
Past offices	<ul style="list-style-type: none"> Goldman Sachs Group Inc (1997-2010: chairman of Greater China (2008-2010) and managing director (2000-2010)) International Monetary Fund, Washington DC – economist (1991-1996) 			
Qualifications	<ul style="list-style-type: none"> Master and Doctor of Philosophy (Economics) (Harvard University, US) Master of Science (Engineering Science) (Tsinghua University, China) 			
<p>1 Dr Hu was appointed as a Director effective 10 November 2014. Only one Board meeting took place during the period between 10 November and 31 December 2014.</p> <p>* Currently listed on the Stock Exchange</p>				

3. Mr John Mackay McCulloch WILLIAMSON

Independent Non-executive Director (aged 56)

Director since	Board/committee/panel memberships held within HKEx group	Meetings attended/held in 2014		Remuneration for 2014 (\$)
18 June 2008	HKEx			
	• Board	9/10	90%	675,000
	• Audit Committee	4/4	100%	109,500
	• Environmental, Social and Governance Committee	-/- ¹	N/A	-
	• Nomination Committee	2/2	100%	-
	• Remuneration Committee	4/4	100%	109,500
				<u>894,000</u>
Interests in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date (no. of Shares)				-
Other major offices	<ul style="list-style-type: none"> • SAIL Advisors Limited – chief executive officer (2011~) • Search Investment Group Limited – senior managing director (2012~) and chief financial officer (2007~) 			
Past offices	<ul style="list-style-type: none"> • HKEx – member of Clearing Consultative Panel (2000-2007) • Morgan Stanley Dean Witter Asia Limited – managing director, and head of infrastructure and operational risk (1998-2007) • NatWest Investment Services, London – managing director (1992-1994) • NatWest Securities Asia Holdings Limited – chief operating officer (1994-1998) • Search Investment Group Limited – managing director (2007-2011) 			
Qualifications	<ul style="list-style-type: none"> • Bachelor of Arts (Accountancy & Computer Science) (Heriot-Watt University, UK) • Chartered Accountant (The Institute of Chartered Accountants of Scotland) • Fellow (Chartered Institute for Securities and Investment, UK) • Senior Fellow (Hong Kong Securities and Investment Institute) 			
<p>¹ Mr Williamson was appointed as a member of the Environmental, Social and Governance Committee effective 17 April 2014. No meeting of the Environmental, Social and Governance Committee took place during the period between 17 April and 31 December 2014.</p>				

None of Mr T C Chan, Dr Fred Hu and Mr John Williamson is related to any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of HKEx.

None of Mr T C Chan, Dr Fred Hu and Mr John Williamson has any service contract with any member of the HKEx group of companies.

The candidate(s), if elected, will be appointed as a Director with effect from the conclusion of the AGM for a term of not more than approximately 3 years expiring at the conclusion of the Company's annual general meeting to be held in 2018.

The current remuneration of a Non-executive Director is \$700,000 (as a Board member) or \$1,500,000 (if elected as the HKEx's Chairman) per annum. If a Non-executive Director is appointed by the Board to serve on the Audit Committee, Executive Committee, Investment Advisory Committee or Remuneration Committee, he or she will be entitled to an additional fee of \$180,000 (as chairman) or \$100,000 (as a member) per annum for serving on the Audit Committee, and \$150,000 (as chairman) or \$100,000 (as a member) per annum for serving on the Executive Committee, Investment Advisory Committee or Remuneration Committee plus an attendance fee of \$3,000 per meeting. The remuneration is payable to Directors for services rendered by each of them for the period between the conclusion of each annual general meeting and the conclusion of the annual general meeting to be held in

the immediately following year until Shareholders otherwise determine, provided that such remuneration be payable in proportion to the period of service in the case of a Director who has not served the entire period.

Subject to Shareholders' approval at the AGM, the remuneration of Non-executive Director would be revised in accordance with the proposed Resolutions 7(a) and 7(b) as set out in the notice of AGM.

Save for the information disclosed above, Mr T C Chan, Dr Fred Hu and Mr John Williamson each confirmed that there is no other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and the Company is not aware of any other matters in relation to their standing for election as Directors that need to be brought to Shareholders' attention.

NOMINATIONS BY SHAREHOLDERS

Shareholders are invited to elect up to 3 Directors at the AGM to fill the vacancies available following the retirement of Mr T C Chan, Dr Fred Hu and Mr John Williamson. Newly elected Directors at the AGM will each have a term of not more than approximately 3 years expiring at the conclusion of the Company's annual general meeting to be held in 2018.

Article 88(3) of the Articles of Association provides that no person (other than a Director retiring in accordance with the Articles of Association) shall be appointed or re-appointed as a Director at any general meeting unless:

- (a) he/she is recommended by the Directors; or
- (b) he/she is nominated by notice in writing by a member (other than the person to be proposed) entitled to attend and vote at the meeting, and such notice of nomination shall be given to the Company Secretary within the 7-day period commencing the day after the despatch of the notice of the meeting (or such other period, being a period of not less than 7 days, commencing no earlier than the day after the despatch of the notice of such meeting and ending no later than 7 days prior to the date appointed for such meeting, as may be determined by the Directors from time to time). The notice of nomination shall be accompanied by a notice signed by the proposed candidate indicating his/her willingness to be appointed or re-appointed.

If a Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served **no later than Wednesday, 1 April 2015** on the Company Secretary at the Company's registered office, namely (i) his/her notice of intention to propose a resolution at the AGM; and (ii) a notice executed by the nominated candidate of his/her willingness to be appointed together with (A) that candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information, as set out in the below heading "Required information of the candidate(s) nominated by Shareholders", and (B) the candidate's written consent to the publication of his/her personal data.

Upon receiving a valid nomination, a supplemental circular containing information of the candidate(s) proposed by Shareholders will be despatched to Shareholders as soon as practicable on or about 10 April 2015.

Required information of the candidate(s) nominated by Shareholders

In order to enable Shareholders to make an informed decision on their election of Directors, the above described notice of intention to propose a resolution by a Shareholder should be accompanied by the following information of the nominated candidate(s):

- (a) full name and age;
- (b) positions held with HKEx and/or other members of the HKEx group of companies (if any);
- (c) experience including (i) directorships held in the past 3 years in public companies, the securities of which are listed on any securities market in Hong Kong and overseas, and (ii) other major appointments and professional qualifications;
- (d) current employment and such other information (which may include business experience and academic qualifications) of which Shareholders should be aware, pertaining to the ability or integrity of the candidate;
- (e) length or proposed length of service with HKEx;
- (f) relationships with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of HKEx, or an appropriate negative statement;
- (g) interests in Shares within the meaning of Part XV of the SFO, or an appropriate negative statement;
- (h) a declaration made by the nominated candidate in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements nor any other matters relating to that nominated candidate's standing for election as a Director that should be brought to Shareholders' attention; and
- (i) contact details.

The Shareholder proposing the candidate will be required to read out aloud the proposed resolution, as set out under "Resolutions and Voting" below, at the AGM.

RESOLUTIONS AND VOTING

In order to comply with section 460 of the Companies Ordinance and Article 89 of the Articles of Association, there must be a separate resolution for the appointment of each candidate as a Director, unless a resolution that a single resolution for the appointment of 2 or more candidates as Directors has been proposed and has been first agreed to by the general meeting of the Company without any vote being cast against it.

There will be 3 vacancies on the Board to be filled at the AGM following the retirement of Mr T C Chan, Dr Fred Hu and Mr John Williamson. If there are more than 3 candidates standing for election at the AGM, each resolution proposing that a candidate be appointed as a Director will provide for a method to determine which 3 candidates shall be elected as Directors as follows:

“THAT subject to the number of net votes cast in relation to this resolution (net votes being votes cast in favour minus votes cast against this resolution) being among the 3 highest number of net votes cast on each of the resolutions for the appointment of a person as a director of the Company at the annual general meeting to be held on 29 April 2015 or on the date of its adjournment (where applicable) (the “2015 AGM”), [name of candidate] be and is hereby appointed as a director of the Company with effect from the conclusion of the 2015 AGM for a term of approximately 3 years expiring at the conclusion of the Company’s annual general meeting to be held in 2018 provided that if any 2 or more of such resolutions record the same number of net votes (the “Tied Resolutions”), the ranking of the Tied Resolutions from highest to lowest number of net votes shall be determined by the drawing of lots by the chairman of the meeting.”

If a resolution is passed (ie, it has been carried by the majority of the votes cast on it), the candidate who is the subject of that resolution will be eligible to be elected a Director. On the other hand, if a resolution is not passed, the candidate who is the subject of that resolution will not be eligible to be elected a Director. If there are less than 3 resolutions passed by the majority of the votes cast, the Board may, pursuant to Article 90 of the Articles of Association, appoint any person to fill the relevant vacancy or vacancies (as the case may be).

Assuming a resolution is passed by the majority of the votes cast on it, the candidate who is the subject of that resolution will be elected to one of the 3 positions on the Board if the net votes cast in favour of his/her resolution is among within the top 3 resolutions passed in terms of net votes cast. Net votes cast are calculated by taking the votes cast in favour of a resolution and subtracting the votes cast against that resolution. In the event there is a tie in the net votes for 2 or more resolutions, the ranking of the Tied Resolutions from highest to lowest number of net votes cast shall be determined by the drawing of lots by the chairman of the meeting.

Therefore, if you wish to support a particular candidate, you should vote in favour of his/her resolution. If you do not wish to support a candidate, you may vote against his/her resolution or abstain from voting. If you abstain from voting, you should note that your votes will not be counted when calculating the net votes cast in respect of the resolution for such candidate that you do not wish to support.

This Appendix serves as an explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the proposed Buy-back Mandate and also constitutes the memorandum required under section 239(2) of the Companies Ordinance.

1. THE LISTING RULES

The Listing Rules permit a company with a primary listing on the Stock Exchange to buy back its shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders' approval

The Listing Rules provide that all proposed share buy-backs by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval of a particular transaction.

Such authority may only continue in force during the period from the passing of the resolution until the earlier of: (i) the conclusion of the next annual general meeting of the company; (ii) the expiry of the period within which the next annual general meeting of the company is required by law to be held; and (iii) the passing of an ordinary resolution by shareholders in general meeting of the company revoking or varying such mandate.

(b) Source of funds

Share buy-backs must be funded out of funds legally available for such purpose. A listed company may not buy back its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

(c) Trading restrictions

The shares proposed to be bought back by a company must be fully paid up. A maximum of 10% of the number of issued shares of a company as at the date of resolution passed on the grant of a buy-back mandate may be bought back on the Stock Exchange. A company may not issue or announce an issue of new shares for a period of 30 days immediately following a buy-back (other than an issue of shares pursuant to an exercise of share options or similar instruments requiring the company to issue shares which were outstanding prior to such share buy-back) without the Stock Exchange's prior approval (or in the case of HKEx, the SFC). In addition, a company shall not buy back its own shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a company from buying back its own shares on the Stock Exchange if the buy-back would result in the number of that company's listed shares which are in the hands of the public falling below the relevant prescribed minimum percentage under the Listing Rules.

(d) Status of shares bought back

The Listing Rules provide that the listing of all shares bought back is automatically cancelled and that the certificates for those shares must be cancelled and destroyed.

(e) Suspension of buy-backs

The Listing Rules prohibit any share buy-backs at any time after inside information has come to a company's knowledge until the information is made publicly available. In particular, a company may not buy back its own shares on the Stock Exchange, unless the circumstances are exceptional, during the period of one month immediately preceding the earlier of (i) the date of the board meeting for the approval of the company's results for any year, half-year, quarterly or any other interim period and (ii) the deadline for the company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period, and ending on the date of the results announcement. In addition, the Stock Exchange (or in the case of HKEx, the SFC) reserves the right to prohibit a company from buying back its own shares on the Stock Exchange if the Stock Exchange considers that the company has committed a breach of the Listing Rules.

(f) Reporting requirements

Under the Listing Rules, information on share buy-backs on the Stock Exchange or otherwise must be submitted for publication to the Stock Exchange by not later than 8:30 am on the following business day. In addition, a company's annual report is required to disclose details regarding buy-backs made during the year including the number of shares bought back each month, the buy-back price for each such shares or the highest and lowest price paid for each buy-back where relevant, and the aggregate price paid for such buy-backs and the reasons of the directors of the company for making such buy-backs.

A company shall procure that any broker appointed by the company to effect the share buy-backs shall disclose to the Stock Exchange (or in the case of HKEx, the SFC) such information with respect to buy-backs made on behalf of that company as the Stock Exchange (or in the case of HKEx, the SFC) may request.

(g) Connected parties

The Listing Rules prohibit a company from knowingly buying back shares on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their respective close associates (as defined in the Listing Rules) and a core connected person is prohibited from knowingly selling his shares in the company back to the company. No core connected person (as defined in the Listing Rules) has notified HKEx that he has a present intention to sell Shares to HKEx, or has undertaken not to do so, if the Buy-back Mandate is exercised.

2. SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares in issue was 1,168,309,636 Shares. Subject to the passing of the ordinary resolution approving the Buy-back Mandate and on the basis that no further Shares are issued or bought back following the Latest Practicable Date and up to the date of the AGM, exercise in full of the Buy-back Mandate could accordingly result in up to 116,830,963 Shares being bought back by HKEx during the period from the passing of the Buy-back Mandate at the AGM up to (i) the conclusion of the next annual general meeting of HKEx, (ii) the expiry of the period within which the next annual general meeting of HKEx is required by law to be held, or (iii) the passing of an ordinary resolution by Shareholders in general meeting of HKEx revoking or varying the Buy-back Mandate, whichever occurs first.

3. REASONS FOR BUY-BACKS

The Board believes that it is in the best interests of HKEx and its Shareholders to have a general authority from Shareholders to enable HKEx to buy back Shares in the market. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of HKEx's net asset value and/or its earnings per Share and will only be made when the Board believes that such buy-backs will benefit HKEx and its Shareholders as a whole.

4. FUNDING OF BUY-BACKS

In buying back Shares, HKEx may only apply funds legally available for such buy-back in accordance with its Articles of Association, the laws of Hong Kong and the Listing Rules. Share buy-backs pursuant to the Buy-back Mandate will be made out of internal funds legally permitted to be utilised in this connection, including the funds otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for such purpose.

There might be a material adverse effect on the working capital or gearing position of the HKEx group of companies, as compared with the position disclosed in the audited financial statements contained in the 2014 Annual Report, in the event that the Buy-back Mandate is exercised in full at any time. However, the Board does not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the HKEx group of companies or its gearing levels which, in the opinion of the Board, are from time to time appropriate for HKEx.

5. GENERAL

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their respective close associates (as defined in the Listing Rules), have any present intention, if the Buy-back Mandate is granted by Shareholders, to sell any Shares to HKEx.

The Board has undertaken to the SFC that, so far as the same may be applicable, it will exercise the Buy-back Mandate only in accordance with the Listing Rules and the applicable laws of Hong Kong.

If as a result of a buy-back of Shares, a Shareholder's proportionate interest in the voting rights of HKEx increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of HKEx and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Board is not aware of any consequences which would arise under the Takeovers Code as a result of an exercise of the Buy-back Mandate.

6. SHARE BUY-BACKS MADE BY HKEx

HKEx has not bought back any Shares during the 6 months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

7. SHARE PRICES

During each of the previous 12 months prior to the printing of this circular, the highest and lowest prices at which the Shares were traded on the Stock Exchange were as follows:

	Share prices (per share)	
	Highest (\$)	Lowest (\$)
2014		
March	120.6	112.8
April	152.0	118.0
May	145.9	136.0
June	147.8	142.1
July	176.9	144.7
August	185.0	170.0
September	184.8	166.0
October	176.3	162.0
November	189.0	162.0
December	184.1	165.8
2015		
January	182.0	170.6
February	180.9	174.1
March (up to and including the Latest Practicable Date)	179.9	174.1

1. WHO IS ELIGIBLE TO ATTEND AND VOTE

Shareholders whose names appeared on the register of members on 29 April 2015 (the date of the AGM) are eligible to attend, speak and vote at the AGM.

The register of members of HKEx will be closed and no transfer of Shares will be registered from Monday, 27 April 2015 to Wednesday, 29 April 2015, both dates inclusive. In order to be eligible to attend, speak and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with HKEx's registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 pm on Friday, 24 April 2015.

2. HOW TO VOTE**Registered Shareholders****(a) Attending in person**

You are entitled to attend, speak and vote at the AGM in person or, in the case of a corporation, by its duly authorised representative. A corporation must have submitted a properly executed proxy form or corporate representative authorisation.

(b) By proxy

If you do not plan to attend the AGM, you may appoint the chairman of the AGM or a person of your choice, who needs not be a Shareholder, to attend, speak and vote on your behalf.

You may appoint more than one proxy to represent you provided that if more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.

Non-registered Shareholders

If you are a non-registered Shareholder, i.e. your Shares are held through an intermediary (for example, a bank, a custodian or a securities broker) or registered in the name of your nominee, you will not receive a proxy form directly from HKEx, and you have to give instructions to your intermediary/nominee to vote on your behalf. If you wish to attend, speak and vote at the AGM, you should seek an authorisation from your intermediary/nominee directly.

3. PROXY APPOINTMENT**Form of proxy**

A form of proxy is enclosed with this circular or can be downloaded from the About HKEx (Investor Relations – Shareholder Meetings) section of the HKEx website (www.hkex.com.hk) and the HKExnews website (www.hkexnews.hk). If you appoint more than one proxy, you must specify the number of Shares each proxy is appointed to represent.

Voting by proxies

If you have properly completed and returned a proxy form, the person named in the proxy form will be authorised to attend the AGM and vote on your behalf. If you have clearly specified in the proxy form how you wish your votes to be cast, your proxy must cast your votes in accordance with your specified instructions. Otherwise, your proxy will be entitled to cast your votes at his/her discretion or to abstain from voting. Your proxy will also be entitled to cast your votes at his/her discretion or to abstain from voting on any other resolution properly put to the AGM.

In order to be valid, you are requested to complete the proxy form in accordance with the instructions printed on it and return the completed proxy form to HKEx's registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible so that it is received at least 48 hours before the time appointed for the meeting or adjourned meeting (as the case may be) ("Closing Time"). For the avoidance of doubt, proxy form sent by facsimile or electronic means is not accepted. Submission of a proxy form shall not preclude you from attending the AGM or any adjourned meeting and voting in person should you so wish.

4. HOW TO REVOKE A PROXY GIVEN**Registered Shareholders**

If you have returned a proxy form, you may revoke it by completing and signing a proxy form bearing a later date, and lodging it with HKEx's registrar. In order to be valid for voting purpose, this latter proxy form should be received by HKEx's registrar before the Closing Time.

You should also note that your proxy's authority to vote on a resolution is to be regarded as revoked if you attend in person at the AGM and vote on that particular resolution.

Non-registered Shareholders

If you are a non-registered Shareholder and wish to revoke an authorisation appointing a person to vote on your behalf, you should contact your intermediary or nominee directly to revoke your authorisation.

5. VOTING ARRANGEMENTS

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the AGM will be decided by poll. The chairman of the AGM will demand, pursuant to Article 67(1)(a) of the Articles of Association, that all resolutions set out in the notice of the AGM be decided by poll.

Article 71 of the Articles of Association provides that on a poll, subject to any special rights or restrictions as to voting for the time being attached to any Shares and to the provisions of the Articles of Association and the Companies Ordinance, every Shareholder who, in case of an individual, is present in person or by proxy or, in the case of a corporation, is present by its duly authorised representative or proxy, shall have one vote for every Share of which he/she/it is the holder.

Electronic voting system will be used at the AGM for enhancing efficiency and transparency in the vote counting process. On arrival, Shareholders (or their proxies) will be given a hand-held voting device together with a personalised smart card to be used for the electronic poll voting.

With an electronic voting system, votes will be recorded instantly with the results be displayed live on-screen. Instructions on how to use the voting device will be given before the AGM commences.

It is believed that in most cases, Shareholders (other than nominee companies) usually cast all their votes either in favour of a resolution or against a resolution. In the event that Shareholders who do not want to vote all of their Shares or want to split their votes cast on a resolution shall (a) upon arrival, express their intention to the staff at the registration counter if they attend in person at the AGM; or (b) clearly specify in the proxy form the number of votes cast on that particular resolution in the “FOR” and/or “AGAINST” box if a proxy is appointed to attend and vote in their stead. In any event, the total votes cast on a resolution must not exceed the entitled votes.

6. POLL RESULTS

After verified by the scrutineer, the poll results will be published on the HKEx website (www.hkex.com.hk) and HKExnews website (www.hkexnews.hk).

7. TYPHOON OR BLACK RAINSTORM WARNING ARRANGEMENTS

If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 12:00 noon on the date of the meeting, the meeting will be postponed or adjourned. HKEx will post an announcement on the HKEx website (www.hkex.com.hk) and HKExnews website (www.hkexnews.hk) to notify shareholders of the date, time and place of the rescheduled meeting.

The meeting will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather condition bearing in mind their own situations.

