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

2013 Remuneration Committee Report

As at 26 February 2014, the 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.

2013 REMUNERATION COMMITTEE REPORT

The Remuneration Committee

The Remuneration Committee (RC) is delegated by the Board with the responsibility to establish, review, and make recommendations to the Board on the Group's remuneration policy and practices. The RC ensures that all employees and Executive and Non-executive Directors are appropriately remunerated in accordance with the Group's strategy as well as its long-term and short-term performance. The RC comprises 5 INEDs whose names are set out on page 10 of this report. Its detailed terms of reference are available under the About HKEx (Organisation) section of the HKEx website.

The RC held 10 meetings in 2013 and up to 20 February 2014. Members' attendance records in 2013 are shown in the 2013 Corporate Governance Report.

Summary of Work Done in 2013/2014

- Reviewed and endorsed the revisions of the RC's terms of reference to incorporate the additional responsibilities in relation to remuneration matters of HKEx's subsidiaries
- Engaged an external professional consultant to conduct a compensation study to review the pay structures of HKEx and LME, their overall market positioning, and identify areas for improvement
- Reviewed and endorsed the amendments of the Share Award Scheme to facilitate the participation of LME's employees in the Scheme and allow the Board to grant awards as long-term incentives for selected senior executives
- Recommended the 2013 performance bonus and share award pools for the Group's employees
- Recommended the 2013 performance bonus and share award for HKEx's Chief Executive
- Recommended the 2013 salary adjustment rates for the Group's employees
- Adopted the annual RC Report
- Reviewed the remuneration structure for Non-executive Directors and recommended increases for 2014/2015

Non-executive Directors' Remuneration

Objective

To remunerate Non-executive Directors at an appropriate level for their commitment of time and effort to HKEx and to ensure the attraction and retention of high calibre and experienced individuals to oversee HKEx's business and development

Policy

- To conduct annual reviews with reference to companies of comparable business or scale and recommend remuneration adjustments, if appropriate
- To seek the Board's endorsement for and Shareholders' approval on any recommended changes

Annual review for 2013/2014

Taking into consideration the increase in Non-executive Directors' remuneration for 2012/2013, various macroeconomic factors and the market environment in 2013, the RC recommended and the Board endorsed that the remuneration level for Non-executive Directors for 2013/2014 should remain unchanged.

Annual review for 2014/2015

- McLagan, a professional firm specialising in performance and rewards for financial services industry, has been appointed to conduct an independent and overall review of the non-executive directors' remuneration for HKEx and its certain subsidiaries. The consultant conducted a detailed analysis of market practices 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 companies and HSI companies.
- After having considered the findings in the consultant's review, the RC (none of the RC members participated in the decision on his or her remuneration changes) concluded that the remuneration for non-executive directors of LME, LME Clear and OTC Clear remains unchanged and recommended increasing the remuneration of HKEx's Chairman and Non-executive Directors. The Board (none of the Board members participated in the decision on his or her remuneration changes) endorsed and proposed the following recommendation for Shareholders' approval at the 2014 AGM:

2013 REMUNERATION COMMITTEE REPORT

	Current Fee (\$)	Proposed Fee (\$)
Board*		
– Chairman	900,000	1,500,000
– Other member	600,000	700,000
Audit Committee		
– Chairman	120,000	180,000
– Other member	90,000	100,000
– Attendance fee per meeting	3,000	3,000
Executive Committee*, Investment Advisory Committee and RC		
– Chairman	120,000	150,000
– Other member	90,000	100,000
– Attendance fee per meeting	3,000	3,000

* Excluding the Executive Director

Non-executive Directors are not entitled to participate in the Share Option Schemes or the Share Award Scheme, or to receive other fringe benefits.

Non-executive Directors' Remuneration

	2013/2014
	\$
Board Chairman	900,000
Board member	600,000
Audit Committee / Executive Committee / Investment Advisory Committee / RC	
– chairman	120,000
– member	90,000
– attendance fee per meeting	3,000

The fees paid to each of the Non-executive Directors in 2013 for their service on the Board and, where applicable, on its committees and the board and committees of HKEx's subsidiaries are set out below.

	2013	2012
	\$	\$
Ronald Arculli ¹	175,500	733,500
Ignatius Chan	705,000	642,750
C K Chow	1,912,751 ²	957,527 ³
Timothy Freshwater	705,000	532,500
John Harrison	1,630,592 ⁴	835,777 ³
Stephen Hui	699,000	642,750
Bill Kwok	892,306	756,750
Michael Lee	892,726 ⁵	643,250
Vincent Lee	889,306	756,750
Margaret Leung ⁶	538,500	–
John Strickland	732,000	675,750
John Williamson	850,694	865,250
Oscar Wong	702,000	645,750
Total⁷	11,325,375	8,920,804

Notes:

- Mr Arculli retired on 24 April 2013.
- Including the remuneration of \$730,751 (£60,000) arising from being a non-executive director (£48,000 per annum), the chairman of Remuneration Committee (£9,600 per annum) and a member of Nomination Committee (£7,200 per annum) of LME
- Including the remuneration of \$57,527 (£4,616) arising from being a non-executive director of LME
- Including the remuneration of \$863,898 (£70,932) arising from being a non-executive director (£48,000 per annum), the chairman of Audit and Risk Committee (£9,600 per annum) and a member of Remuneration Committee (£7,200 per annum) of LME, and a non-executive director (£48,000 per annum), the chairman of Audit Committee (£9,600 per annum) and a member of Nomination Committee (£7,200 per annum) and Remuneration Committee (£7,200 per annum) of LME Clear
- Including the remuneration of \$185,161 arising from being the board chairman (\$350,000 per annum) and the chairman of Risk Management Committee (\$60,000 per annum and attendance fee \$3,000 per meeting) of OTC Clear
- Mrs Leung was appointed effective 24 April 2013.
- Including the fees of Non-executive Directors who retired in that year

2013 REMUNERATION COMMITTEE REPORT

Employees' Remuneration

Objective
To ensure that employees are remunerated equitably and competitively with consideration of the achievement of their individual performance goals as well as the key business objectives at corporate level
Policy
<ul style="list-style-type: none">To recommend, based on up-to-date market information, the appropriate salary adjustments, if any, for the Board's approvalTo evaluate the corporate performance based on a set of pre-determined measurements and recommend to the Board the appropriate level of performance bonus and share award pools, if any, for the yearTo consult HKEx's Chief Executive about the individual performance of the Senior Management and ensure that they are remunerated equitably and in accordance with the established guidelinesTo review and recommend to the Board the remuneration of HKEx's Chief Executive and ensure that he is not involved in the discussion and decision on his own compensation
Review for 2013/2014
<ul style="list-style-type: none">The RC recommended and the Board approved in November 2013:<ul style="list-style-type: none">(i) a base salary adjustment and promotion increase effective January 2014. The salary adjustment took into consideration the cost of living and the projected pay increase in the financial services industry;(ii) a discretionary performance bonus for eligible employees in recognition of their contributions in 2013; and(iii) a sum of \$180.91 million for the purchase of the HKEx shares pursuant to the Share Award Scheme for 183 selected employees, including HKEx's Chief Executive, and for selected employees to be recruited in 2014.In addition, during 2013, the RC recommended and the Board approved a sum of \$4.33 million and \$8.65 million to HKEx's Chief Executive as Senior Executive Awards, which are performance-based, as defined below in respect of the performance periods between 2013 and 2015 and between 2014 and 2016 respectively.The performance cash bonus and share award pools for the Group's employees were determined based on the overall achievements with respect to the following on the corporate performance scorecard:<ul style="list-style-type: none">(i) financial performance measures including 1-year revenue and EBITDA growth relative to peers of global exchanges, and absolute revenue, EBITDA performance, profit margin and cost to income ratio relative to the budget;(ii) strategic initiatives achievement per various business lines, eg, cash equity, equity derivatives, commodities, fixed income and currency;(iii) market and regulatory measures, eg, system stability and reliability, primary market and listing regulations; and(iv) organisation development measures including talent recruitment and retention and CSR achievements.The applicable performance cash bonus and share awards were allocated to individual employees according to a matrix which was defined per job grade, performance rating (a 5-point scale) and job function. Management was allowed to adjust individual amounts after considering factors including internal relativity and external comparison with market benchmarks.

Further details of HKEx's remuneration policy and structure are available under the About HKEx (Corporate Governance) section of the HKEx website.

As at 31 December 2013, the Group had 1,202 permanent employees and 76 temporary employees.

A performance development process is in place to ensure that employees' performance objectives are defined, their performance progress is tracked and their training and development opportunities are identified. Employee training details will be set out in the 2013 Corporate Social Responsibility Report.

2013 REMUNERATION COMMITTEE REPORT

Emoluments for 2013

Executive Director

	2013					Total ³ \$	2012	2013
	Salary \$	Cash bonus \$	Other ¹ benefits \$	Retirement ² benefits cost \$	Director's fee \$		Total ³ \$	Share award benefits ⁴ \$
HKEx's Chief Executive								
Charles Li	8,652,600	9,373,650	174,980	1,081,576	–	19,282,806	15,327,856	18,924,718

Senior Management

	2013					Total ³ \$	2012	2013
	Salary \$	Cash bonus \$	Other ¹ benefits \$	Retirement ² benefits cost \$	Compensation for loss of office \$		Total ³ \$	Share award benefits ⁴ \$
Margaret Cheng ⁵	1,062,500	2,000,000	11,202	132,813	–	3,206,515	–	231,422
Bill Chow	2,937,600	5,253,000	47,429	367,200	–	8,605,229	6,045,029	2,057,127
David Graham ⁶	4,371,523	4,150,000	664,483	546,440	–	9,732,446	–	688,603
Gerald Greiner	6,000,000	2,600,000	126,077	750,000	–	9,476,077	9,876,250	3,810,123
Henry Ingrouille ⁷	3,000,000	2,500,000	80,361	375,000	–	5,955,361	3,924,834	1,225,623
Garry Jones ⁸	1,353,763	2,435,838	–	232,927	–	4,022,528	–	53,166
Paul Kennedy ⁹	3,600,000	3,500,000	57,667	297,782	–	7,455,449	–	39,369
Romnesh Lamba	4,467,600	5,200,000	98,877	558,450	–	10,324,927	8,833,266	4,020,509
Henry Law	2,754,000	1,800,000	57,166	344,250	–	4,955,416	4,531,798	1,444,980
Richard Leung	3,120,000	1,500,000	40,484	390,000	–	5,050,484	4,590,484	1,444,035

Notes:

- 1 Other benefits include leave pay, insurance premium, club membership and relocation allowance, as applicable.
- 2 An employee who retires before normal retirement age is eligible to 18 per cent of the employer's contribution to the provident fund after completion of 2 years of service. The rate of vested benefit increases at an annual increment of 18 per cent thereafter reaching 100 per cent after completion of 7 years of service.
- 3 Excluding the shares awarded or reference awarded sums to HKEx's Chief Executive and the Senior Management during the relevant years, details of which are set out in the Chief Executive's and Senior Management's Interests in HKEx Securities under Long-term Incentive Schemes section of this report.
- 4 The share award benefits represent the aggregate of the amortised fair value of the Awarded Shares of HKEx's Chief Executive and the respective members of the Senior Management that were charged to the Consolidated Income Statement for the year ended 31 December 2013.
- 5 Ms Cheng joined HKEx on 1 August 2013.
- 6 Mr Graham joined HKEx on 9 January 2013.
- 7 Mr Ingrouille joined HKEx on 7 July 2012.
- 8 Mr Jones joined the Group on 30 September 2013 and is a member of the LME pension scheme operating in the UK. The vesting scale of HKEx's provident fund scheme as specified in note 2 above is not applicable to him.
- 9 Mr Kennedy joined HKEx on 1 January 2013.

Further details of Directors' emoluments and the 5 top-paid employees as required to be disclosed pursuant to Section 161 of the Companies Ordinance and Appendix 16 to the Main Board Listing Rules are set out in notes 16 and 17 respectively to the Consolidated Financial Statements for the year ended 31 December 2013.

2013 REMUNERATION COMMITTEE REPORT

Long-term Incentive Schemes

HKEx has adopted the Share Award Scheme to recognise the contributions of certain employees and help retain them for the Group's operations and further development. Prior to the adoption of the Scheme, HKEx had 2 share option schemes, the Pre-Listing Scheme and the Post-Listing Scheme, both of which ended on 30 May 2010.

Share Option Schemes

There are no outstanding options under the Pre-Listing Scheme. The unexercised options under the Post-Listing Scheme will continue to be valid and exercisable subject to the provisions of the scheme until the end of the exercise periods.

Movements in the outstanding share options granted under the Post-Listing Scheme during the year ended 31 December 2013 are set out below.

Date of grant	Exercise price \$	Number of shares issuable under the options				Exercise ² period
		As at 1 Jan 2013	Issued upon ¹ subscription during the year	Cancelled/lapsed during the year	As at 31 Dec 2013	
Employees						
31 Mar 2004	16.96	309,500	21,000	–	288,500	31 Mar 2006 – 30 Mar 2014
17 May 2004	15.91	25,000	–	–	25,000	17 May 2006 – 16 May 2014
26 Jan 2005	19.25	528,600	37,600	–	491,000	26 Jan 2007 – 25 Jan 2015

Notes:

- 1 The weighted average closing price immediately before the dates on which the options were exercised was \$133.29.
- 2 Options granted were subject to a vesting scale in tranches of 25 per cent each per annum starting on the second anniversary and became fully vested on the fifth anniversary of the grant.

Further details of the Share Option Schemes are set out in note 40(a) to the Consolidated Financial Statements for the year ended 31 December 2013.

Share Award Scheme

The Share Award Scheme was adopted by the Board on 14 September 2005 (Adoption Date). The maximum number of shares which can be awarded under the Scheme is 3 per cent (ie, 31,871,575 shares) of the HKEx shares in issue as at the Adoption Date and the maximum number of shares which can be awarded to a selected employee in the Scheme is 1 per cent (ie, 10,623,858 shares).

On 9 December 2013, the Board approved a sum of \$180.91 million for the purchase of the HKEx shares for awards to the selected employees, including HKEx's Chief Executive (\$8.65 million) and a sum of \$35 million for the purchase of the HKEx shares for selected employees to be recruited in 2014. Based on the Board's recommendation, the Scheme's trustee will apply 92,469 shares held under the Scheme which were unallocated or forfeited pursuant to the Scheme to partly satisfy such award.

During the year, the Board also approved amendments to the rules and the trust deed of the Scheme to (i) facilitate participation of LME's employees in the Scheme; (ii) allow the Board to grant awards as long-term incentives for selected senior executives of the Group (Senior Executive Awards); and (iii) reflect the appointment of Computershare Hong Kong Trustees Limited as the new trustee of the Scheme. The amendments took effect on 17 December 2013. The rules and trust deed of the Scheme are available under the About HKEx (Organisation) section of the HKEx website.

2013 REMUNERATION COMMITTEE REPORT

Further details of the Scheme are set out in note 40(b) to the Consolidated Financial Statements for the year ended 31 December 2013.

Since the Adoption Date, a total of 4,558,505 shares had been awarded under the Scheme up to the date of this report, representing 0.4 per cent of the HKEx shares in issue as at the Adoption Date.

Details of the awards (save for those which had been fully vested or lapsed as of 31 December 2012), including the number of shares which were awarded and vested according to the terms of the Scheme during the year ended 31 December 2013, are set out below.

Date of approval by Board	Date of award ¹	Awarded sum \$'000	Number of shares purchased	Number of Awarded Shares	Average fair value per share \$ ²	Number of Awarded Shares vested during the year	Vesting period ³
10 Dec 2008	3 Feb 2009	4,900	59,900	59,900	81.96	29,950 ⁴	1 Jan 2011 – 1 Jan 2014
23 Apr 2010	10 Jun 2010	88,516	720,100	720,054	123.29	291,524 ⁴	13 May 2012 – 13 May 2013
23 Apr 2010	9 Jul 2010	840	6,900	6,900	121.88	3,450	10 Jun 2012 – 10 Jun 2013
14 Dec 2010	31 Dec 2010	91,303	518,100	518,039	176.75	222,617 ⁴	14 Dec 2012 – 14 Dec 2013
14 Dec 2010	30 Mar 2011	570	3,300	3,300	169.92	1,650	13 Jan 2013 – 13 Jan 2014
14 Dec 2010	30 Mar 2011	1,170	6,900	6,900	169.92	3,450	1 Feb 2013 – 1 Feb 2014
14 Dec 2010	8 Apr 2011	263	1,400	1,400	179.55	700	1 Apr 2013 – 1 Apr 2014
14 Dec 2010	9 Jun 2011	570	3,300	3,300	171.59	1,650	26 Apr 2013 – 26 Apr 2014
14 Dec 2010	11 Oct 2011	1,620	11,800	11,800	137.22	5,900	19 Sept 2013 – 19 Sept 2014
14 Dec 2010	11 Oct 2011	1,560	14,400	14,400	108.03	7,200	3 Oct 2013 – 3 Oct 2014
14 Dec 2011	30 Dec 2011	113,624	567,800	912,437 ⁵	124.75	433,716 ⁴	14 Dec 2013 – 14 Dec 2014
14 Dec 2010	28 Mar 2012	500	3,400	3,400	143.74	–	3 Jan 2014 – 3 Jan 2015
14 Dec 2011	22 Jun 2012	256	2,300	2,300	108.45	–	26 Mar 2014 – 26 Mar 2015
14 Dec 2011	22 Jun 2012	345	3,100	3,100	108.42	–	2 Apr 2014 – 2 Apr 2015
14 Dec 2011	22 Jun 2012	412	3,800	3,800	108.45	–	2 May 2014 – 2 May 2015
14 Dec 2011	5 Sept 2012	975	8,900	8,900	109.00	–	7 Jul 2014 – 7 Jul 2015
3 Dec 2012	31 Dec 2012	102,398	707,200	810,245 ⁵	126.71	–	3 Dec 2014 – 3 Dec 2015
14 Dec 2011	27 Mar 2013	316	2,200	2,200	139.86	–	1 Jan 2015 – 1 Jan 2016
14 Dec 2011	27 Mar 2013	2,400	17,100	17,100	139.86	–	9 Jan 2015 – 9 Jan 2016

2013 REMUNERATION COMMITTEE REPORT

Notes:

- The date of award refers to the date on which the trustee allocated the Awarded Shares to the selected employees from the shares purchased with the awarded sum determined by the Board.
- The fair value of the Awarded Shares is based on the average purchase cost per share.
For the shares awarded on 30 December 2011 and 31 December 2012, the fair value of the Awarded Shares is based on the average fair value calculated from the weighted average of the following:
 - for shares awarded from unallocated or forfeited shares: closing price of the HKEx shares on the date of approval of the awarded sum by the Board; and
 - for shares purchased from the market: average cost per share.
- Effective 13 May 2010, the vesting period of the Awarded Shares was changed from 5 years to 3 years. Accordingly, the Awarded Shares and the related income are vested in 2 equal tranches in the second and third year after the grant, as opposed to 4 equal tranches from the second to fifth year, the arrangement prior to the change.
- They included certain Awarded Shares which, according to the terms of the Scheme, became vested in the selected employees who retired prior to the vesting periods.
- The Scheme's trustee applied 344,706 shares and 103,116 shares held under the Scheme which were unallocated or forfeited pursuant to the Scheme to partly satisfy the awards allocated on 30 December 2011 and 31 December 2012 respectively.

As at 31 December 2013, taking into account the shares acquired out of the dividends from the shares held under the trust, there were 1,396,629 shares held in trust under the Scheme.

Chief Executive's and Senior Management's Interests in HKEx Securities under Long-term Incentive Schemes

Share Options

	Date of grant	Exercise price \$	Number of shares issuable under the options				Exercise period ¹
			As at 1 Jan 2013	Subscribed during the year	Lapsed during the year	As at 31 Dec 2013	
Senior Management							
Gerald Greiner	17 May 2004	15.91	25,000	–	–	25,000	17 May 2006 – 16 May 2014
	26 Jan 2005	19.25	100,000	–	–	100,000	26 Jan 2007 – 25 Jan 2015

Note:

- Options granted were subject to a vesting scale in tranches of 25 per cent each per annum starting on the second anniversary and became fully vested on the fifth anniversary of the grant.

Awarded Shares

	Date of award ²	Number of Awarded Shares	Average ³ fair value per share \$	Number of shares ¹				As at 31 Dec 2013	Reference ⁴ awarded sum \$	Vesting ⁵ period
				As at 1 Jan 2013	Shares acquired during the year out of the dividend	Vested during the year	Lapsed during the year			
HKEx's Chief Executive										
Charles Li	10 Jun 2010	73,217	123.29	39,491	442	39,933	–	–	–	13 May 2012 – 13 May 2013
	31 Dec 2010	40,856	176.75	21,727	575	22,302	–	–	–	14 Dec 2012 – 14 Dec 2013
	30 Dec 2011	70,495	124.75	72,921	1,932	37,423	–	37,430	–	14 Dec 2013 – 14 Dec 2014
	31 Dec 2012	70,556	126.71	70,556	1,876	–	–	72,432	–	3 Dec 2014 – 3 Dec 2015
	–	–	–	–	–	–	–	–	8,652,600	9 Dec 2015 – 9 Dec 2016
	–	–	–	–	–	–	–	–	4,326,300 ⁶	End of a performance period of 2013 - 2015
	–	–	–	–	–	–	–	–	8,652,600 ⁶	End of a performance period of 2014 - 2016

2013 REMUNERATION COMMITTEE REPORT

Senior Management

Margaret Cheng		–	–	–	–	–	–	–	1,100,000	1 Aug 2015 – 1 Aug 2016
		–	–	–	–	–	–	–	1,500,000	9 Dec 2015 – 9 Dec 2016
Bill Chow	10 Jun 2010	16,415	123.29	8,857	99	8,956	–	–	–	13 May 2012 – 13 May 2013
	31 Dec 2010	10,177	176.75	5,416	142	5,558	–	–	–	14 Dec 2012 – 14 Dec 2013
	30 Dec 2011	15,419	124.75	15,956	422	8,184	–	8,194	–	14 Dec 2013 – 14 Dec 2014
	31 Dec 2012	16,051	126.71	16,051	428	–	–	16,479	–	3 Dec 2014 – 3 Dec 2015
	–	–	–	–	–	–	–	–	1,000,000	9 Dec 2015 – 9 Dec 2016
David Graham	27 Mar 2013	10,700	139.86	–	283	–	–	10,983	–	9 Jan 2015 – 9 Jan 2016
	–	–	–	–	–	–	–	–	3,000,000	9 Dec 2015 – 9 Dec 2016
Gerald Greiner	10 Jun 2010	35,700	123.29	19,256	215	19,471	–	–	–	13 May 2012 – 13 May 2013
	31 Dec 2010	16,601	176.75	8,834	233	9,067	–	–	–	14 Dec 2012 – 14 Dec 2013
	30 Dec 2011	48,185	124.75	49,845	1,320	25,579	–	25,586	–	14 Dec 2013 – 14 Dec 2014
	31 Dec 2012	11,870	126.71	11,870	319	–	–	12,189	–	3 Dec 2014 – 3 Dec 2015
	–	–	–	–	–	–	–	–	1,000,000	9 Dec 2015 – 9 Dec 2016
Henry Ingrouille	5 Sept 2012	8,900	109.00	8,900	234	–	–	9,134	–	7 Jul 2014 – 7 Jul 2015
	31 Dec 2012	14,639	126.71	14,639	389	–	–	15,028	–	3 Dec 2014 – 3 Dec 2015
	–	–	–	–	–	–	–	–	1,850,000	9 Dec 2015 – 9 Dec 2016
Garry Jones	–	–	–	–	–	–	–	–	2,025,664	9 Dec 2015 – 9 Dec 2016
Paul Kennedy	–	–	–	–	–	–	–	–	1,500,000	9 Dec 2015 – 9 Dec 2016
Romnesh Lamba	10 Jun 2010	25,626	123.29	13,820	154	13,974	–	–	–	13 May 2012 – 13 May 2013
	31 Dec 2010	23,832	176.75	12,674	335	13,009	–	–	–	14 Dec 2012 – 14 Dec 2013
	30 Dec 2011	29,312	124.75	30,323	802	15,560	–	15,565	–	14 Dec 2013 – 14 Dec 2014
	31 Dec 2012	29,461	126.71	29,461	785	–	–	30,246	–	3 Dec 2014 – 3 Dec 2015
	–	–	–	–	–	–	–	–	5,000,000	9 Dec 2015 – 9 Dec 2016
Henry Law	10 Jun 2010	15,832	123.29	8,540	95	8,635	–	–	–	13 May 2012 – 13 May 2013
	31 Dec 2010	7,362	176.75	3,920	103	4,023	–	–	–	14 Dec 2012 – 14 Dec 2013
	30 Dec 2011	10,841	124.75	11,219	295	5,752	–	5,762	–	14 Dec 2013 – 14 Dec 2014
	31 Dec 2012	10,896	126.71	10,896	293	–	–	11,189	–	3 Dec 2014 – 3 Dec 2015
Richard Leung	11 Oct 2011	14,400	108.03	14,892	394	7,643	–	7,643	–	3 Oct 2013 – 3 Oct 2014
	30 Dec 2011	12,528	124.75	12,961	342	6,650	–	6,653	–	14 Dec 2013 – 14 Dec 2014
	31 Dec 2012	14,402	126.71	14,402	384	–	–	14,786	–	3 Dec 2014 – 3 Dec 2015
	–	–	–	–	–	–	–	–	2,000,000	9 Dec 2015 – 9 Dec 2016

2013 REMUNERATION COMMITTEE REPORT

Notes:

- 1 It included shares acquired out of the dividends from the Awarded Shares according to the Scheme.
- 2 The date of award refers to the date on which the trustee allocated the Awarded Shares to the selected employees from the shares purchased with the awarded sum determined by the Board.
- 3 The fair value of the Awarded Shares is based on the average purchase cost per share.
For the shares awarded on 30 December 2011 and 31 December 2012, the fair value of the Awarded Shares is based on the average fair value calculated from the weighted average of the following:
 - (a) for shares awarded from unallocated or forfeited shares: closing price of the HKEx shares on the date of approval of the awarded sum by the Board; and
 - (b) for shares purchased from the market: average cost per share.
- 4 This refers to the amount approved by the Board in 2012 and 2013 respectively for the purchase of the HKEx shares. The purchase had not been made by the trustee as of 31 December 2013.
- 5 The Awarded Shares and the related income are vested in 2 equal tranches in the second and third year after the grant.
- 6 The awards granted are the Senior Executive Awards. The Board has full discretion to determine the actual amount of the Senior Executive Awards to be vested at the end of a performance period in accordance with the performance criteria recommended by the RC and approved by the Board. These performance criteria include total shareholder return, achievements made in business development initiatives and sustaining the organisation's effectiveness.

Members of the Remuneration Committee

CHOW Chung Kong (Chairman)

KWOK Chi Piu, Bill

LEE Kwan Ho, Vincent Marshall

LEUNG KO May Yee, Margaret

John Mackay McCulloch WILLIAMSON

Hong Kong, 20 February 2014

Glossary

2014 AGM	HKEx's annual general meeting to be held on 16 April 2014
Awarded Shares	Shares awarded under the Share Award Scheme
Board	HKEx's board of directors
CSR	Corporate Social Responsibility
Director(s)	HKEx's director(s)
Group	HKEx and its subsidiaries
HKEx	Hong Kong Exchanges and Clearing Limited
HSI	Hang Seng Index
LME	The London Metal Exchange
LME Clear	LME Clear Limited
Main Board Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
OTC Clear	OTC Clearing Hong Kong Limited
Post-Listing Scheme	Post-Listing Share Option Scheme approved by Shareholders on 31 May 2000 which was subsequently amended by Shareholders on 17 April 2002
Pre-Listing Scheme	Pre-Listing Share Option Scheme approved by Shareholders on 31 May 2000
Senior Management	The Group's senior executives as set out in this report
Shareholders	HKEx's shareholders
Share Award Scheme or the Scheme	The Employees' Share Award Scheme adopted by the Board on 14 September 2005 which was subsequently amended on 16 August 2006, 13 May 2010 and 17 December 2013
Share Option Schemes	Pre-Listing Scheme and Post-Listing Scheme
UK	United Kingdom
\$	Hong Kong dollar
£	Pound sterling