



# 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

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of the shareholders of Hong Kong Exchanges and Clearing Limited ("HKEx") will be held at the Trading Hall of The Stock Exchange of Hong Kong Limited ("Stock Exchange") at 1st Floor, One and Two Exchange Square, Central, Hong Kong on Tuesday, 12 April 2005 at 4:30 p.m. for the following purposes:

1. To receive and consider the Audited Accounts for the year ended 31 December 2004 together with the Reports of the Directors and Auditors thereon.
2. To declare a Final Dividend.
3. To elect Directors.
4. To re-appoint Auditors and to authorise the Directors to fix their remuneration.

To consider as special business and, if thought fit, pass with or without modification the following resolutions as Ordinary Resolutions and a Special Resolution respectively:

### **Ordinary Resolutions**

5. **"THAT:**
  - (a) subject to paragraph (b) below, the exercise by the Directors of HKEx during the Relevant Period (as hereinafter defined) of all powers of HKEx to repurchase 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/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of shares which HKEx is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of HKEx at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
  - (c) for the purposes of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

    - (i) the conclusion of the next annual general meeting of HKEx;
    - (ii) the expiration 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 of HKEx in general meeting revoking or varying the authority given to the Directors of HKEx by this Resolution.”
6. “**THAT** a remuneration of HK\$240,000 be paid to each of the non-executive Directors of HKEx at the conclusion of the next annual general meeting of HKEx for the period from the conclusion of this meeting to the conclusion of the next annual general meeting of HKEx, provided that such remuneration will be paid in proportion to the period of service in the case of a Director who has not served the entire period.”
7. “**THAT** conditional upon the passing of Resolution 8 set out in the notice convening this meeting and the approval of the Securities and Futures Commission to the proposed amendments to the Articles of Association referred to therein, the terms of office of the following Directors be fixed as follows:
- (a) the terms of office of Messrs Dannis J H Lee and David M Webb shall continue uninterrupted and expire at the conclusion of the annual general meeting of the Company to be held in 2006; and
- (b) the terms of office of Messrs John E Strickland and Oscar S H Wong shall continue uninterrupted and expire at the conclusion of the annual general meeting of the Company to be held in 2007.”

### **Special Resolution**

8. “**THAT** subject to the written approval of the Securities and Futures Commission pursuant to section 67 of the Securities and Futures Ordinance:
- (a) The definition of “Public Interest Director” in Article 2 of the Articles of Association of HKEx be amended by replacing the words “Public Interest” with “Government Appointed” as follows:
- “Government Appointed Directors . . . any Director appointed pursuant to Article 90(3);”
- and all references to “Public Interest Director” (or “Public Interest Directors” as the case may be) in the Articles of Association shall be amended to “Government Appointed Director” (or “Government Appointed Directors”, as the case may be).
- (b) Article 63 of the Articles of Association of HKEx be deleted in its entirety and replaced by the following:
- “All business shall be deemed special that is transacted at an extraordinary general meeting, and all business that is transacted at an annual general meeting shall also be deemed special with the exception of:
- (a) declaring dividends;
- (b) the consideration and adoption of the accounts and balance sheet and the report of the directors and other documents required to be annexed to the accounts;
- (c) the election of Directors in place of those retiring (upon expiration of his term or otherwise);
- (d) the re-appointment of the retiring Auditors provided that they were last appointed to such office by the Company in general meeting; and
- (e) the fixing of remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.”
- (c) Article 90 of the Articles of Association of HKEx be deleted in its entirety and replaced by the following:
- “(1) The Company may by ordinary resolution elect any person to be a Director, but the total number of Directors elected under this paragraph (1) shall not at any time exceed six. All the Directors (the “**Inaugural Elected Directors**”) elected by the Company at the first

general meeting called to elect Directors after the date on which these Articles become effective shall be elected for a term commencing on a specified date not later than seven days after the date of the aforesaid general meeting and expiring at the conclusion of the annual general meeting of the Company to be held in 2003. In the event any Inaugural Elected Director ceases to be a Director prior to the expiration of his term, the Directors may appoint any person to replace him pursuant to Article 92 until the next following annual general meeting and thereafter any person elected by ordinary resolution to fill the vacancy created by such Inaugural Elected Director shall be elected for the remaining unexpired term of such Inaugural Elected Director's term.

- (1A) Subject to any express terms to the contrary in the relevant resolution for appointing any Director under paragraph (1) above, any Director so elected by the Company after the date on which this paragraph becomes effective shall be elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Company held in the third year following the year of his appointment and for the avoidance of doubt, on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment pursuant to Article 93.
- (2) No person (other than a Director retiring in accordance with these Articles) shall be appointed or re-appointed a Director at any general meeting under paragraph (1) above unless:
  - (a) he is recommended by the Directors; or
  - (b) not earlier than the day after the despatch of the notice of the meeting and not later than 7 days prior to the date appointed for the meeting there has been given to the Secretary, by a member (other than the person to be proposed) entitled to vote at the meeting, notice of his intention to propose a resolution for the appointment or reappointment of that person and a notice executed by that person of his willingness to be appointed or re-appointed, provided however that this provision shall not apply in respect of:
    - (i) the first general meeting called to appoint Directors after the date on which these Articles become effective; and
    - (ii) any general meeting at which a person is to be appointed a Director to fill any vacancy created by an Inaugural Elected Director prior to the expiration of his term in 2003.
- (3) Subject to the provisions of section 77 of the SFO, the Financial Secretary may at any time:
  - (a) appoint any person as a Director representing the public interest; and
  - (b) remove from office any person so appointed (whether or not his term has been completed);

provided that the number of Directors from time to time appointed by the Financial Secretary shall not exceed eight, and any Director so appointed shall be appointed for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Company held in the third year following the year of his appointment and for the avoidance of doubt, on expiration of his term he shall retire but be eligible for re-appointment pursuant to paragraph (5) below.

- (4) The person appointed pursuant to Article 111 as Chief Executive shall, ex-officio, be a Director and for the avoidance of doubt, such Director's term will be deemed to be the term of his employment as Chief Executive as established in his employment contract and on

expiry of his term upon termination or expiry of his employment as the Chief Executive, he shall retire and be eligible for re-appointment.

- (5) (a) Any appointment of a Government Appointed Director under paragraph (3) shall be in writing and shall be accompanied, if the appointee is not already a Director, by the appointee's signed consent to such appointment and such appointment may be specified to be for a particular period;
- (b) Any removal of a Government Appointed Director under paragraph (3) shall be in writing;
- (c) The appointment or removal of a Government Appointed Director shall become effective when the documentation referred to in subparagraphs 5(a) and 5(b) above is received by the Company at its registered office or, if later, on the effective date of appointment or removal as specified in the documentation, at which time such person shall be a Director or cease to be a Director, as the case may be, without further formality;
- (d) Subject to subparagraph (e) below, a Government Appointed Director shall retire from office upon the expiration of any particular period specified in his most recent appointment or reappointment pursuant to paragraph (3); and
- (e) A person may at any time be re-appointed as a Government Appointed Director in the same manner as applies to an appointment under paragraph (3)."
- (d) Article 92 of the Articles of Association of HKEx be deleted in its entirety and replaced by the following:

"Without prejudice to the power of the Company in general meeting in accordance with any of the provisions of these Articles to appoint any person to be a Director, the Directors may, at any time, and from time to time, appoint any person to be a Director (other than a Government Appointed Director), either to fill a casual vacancy or by way of addition to their number, but so that the total number of Directors (other than Government Appointed Directors) shall not exceed the maximum number fixed by Article 90(1). Any Director so appointed by the Directors shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number), and shall then be eligible for reappointment."

- (e) Article 93 of the Articles of Association of HKEx be deleted in its entirety and replaced by the following:
- "(1) (repealed).
- (2) (repealed).
- (3) (repealed).
- (4) A retiring Director shall (unless he is removed from office or his office is vacated in accordance with these Articles) retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to appoint another person in his place or the resolution to re-appoint him is put to the meeting and lost.
- (5) A retiring Director shall be eligible for reappointment.

- (6) Subject to the provisions of these Articles, if the Company, at any meeting at which a Director retires in accordance with these Articles upon expiration of his term or otherwise, does not fill the office vacated by such Director, the retiring Director, if willing to act, shall be deemed to be re-appointed, unless at the meeting a resolution is passed not to fill the vacancy or to appoint another person in his place or unless the resolution to re-appoint him is put to the meeting and lost.”
- (f) Article 99(1) of the Articles of Association of HKEx be deleted in its entirety and replaced by the following:
- “(1) The Directors may procure the establishment and maintenance of or participate in, or contribute to any non-contributory or contributory pension or superannuating fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons who are or shall have been at any time Directors of the Company or in the employment or service of the Company or of any company which is or was a subsidiary of or associated with the Company or of the predecessors in business of the Company or any such subsidiary or associated company or the spouses, widows, widowers, families, relatives or dependants of any such persons.””

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

Hong Kong, 9 March 2005

Notes:

- (1) A shareholder entitled to attend and vote at the above meeting (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and vote in his stead. The proxy need not 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 thereof), either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of HKEx in respect of such share shall alone be entitled to vote in respect thereof.
- (3) In order to be valid, the form of proxy, 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 practise in Hong Kong), must be deposited at HKEx's registrar, Hong Kong Registrars Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time fixed for holding the above meeting or adjourned meeting (as the case may be).
- (4) The register of members of HKEx will be closed from Thursday, 7 April 2005 to Tuesday, 12 April 2005, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged for registration with HKEx's registrar, Hong Kong Registrars Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 6 April 2005.
- (5) Concerning Resolution 5, the Board wishes to state that there are no immediate plans to repurchase any shares of HKEx. The general mandate is being sought from shareholders in compliance with the Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange.
- (6) There will be two elected Director vacancies to be filled at the forthcoming annual general meeting. If a Shareholder wishes to nominate a person to stand for election as a Director, (i) notice of his intention to propose a resolution, and (ii) the notice executed by the nominated candidate of his willingness to be appointed or reappointed together with (A) the candidate's biographical information and (B) consent to the publication of his

personal data, have to be validly served on the Secretary of HKEx. Details of the foregoing are set out in the circular containing this Notice of Annual General Meeting under the heading "Letter from the Board of Directors – 2. Appointment of Directors".

- (7) For the sake of good corporate governance practice, the Chairman intends to demand poll voting for all the resolutions set out in the notice of the annual general meeting, and all non-executive Directors of HKEx who are shareholders of HKEx will abstain from voting at the meeting on Resolution 6 concerning remuneration to non-executive Directors.
- (8) A circular containing further information concerning the election of Directors and Resolutions 5 to 8 will be sent to shareholders together with HKEx's 2004 Annual Report today.

*As at the date of this announcement, the Board of Directors of HKEx comprises 12 Independent Non-executive Directors, namely Mr LEE Yeh Kwong, Charles (Chairman), Mr FAN Hung Ling, Henry, Mr FONG Hup, Mr FRESHWATER, Timothy George, Dr KWOK Chi Piu, Bill, Mr LEE Jor Hung, Dannis, Mr LEE Kwan Ho, Vincent Marshall, Mr LEONG Ka Chai, Dr LO Ka Shui, Mr STRICKLAND, John Estmond, Mr WEBB, David Michael, Mr WONG Sai Hung, Oscar, and one executive Director, Mr CHOW Man Yiu, Paul, who is also the Chief Executive.*

Please also refer to the printed version of this announcement in the South China Morning Post on 9 March 2005.