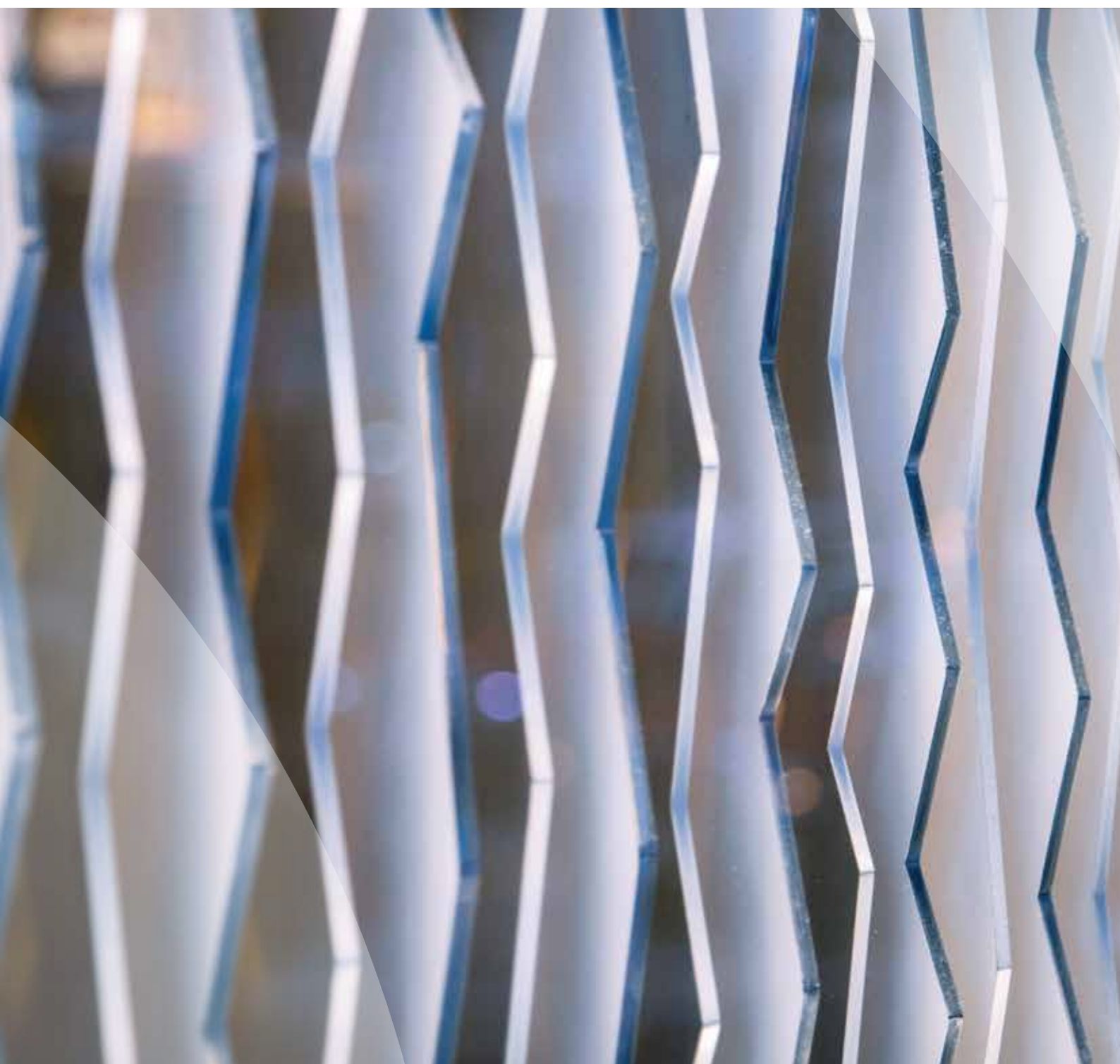


# Governing Principles in the Workplace



## Introduction

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Hong Kong Exchanges and Clearing Limited and its subsidiaries (the Group) recognise the contributions of their employees and treat each individual employee fairly and consistently in all matters, with a uniform application of the following human resources philosophies:

- Human resources are allocated to achieve optimum productivity and efficiency.
- Pay and benefits offered are fair, equitable, and competitive.
- Employees are always encouraged to participate in continual learning, best equipping themselves for their present job, their future career, and for the future development of the Group.
- Reward is based on merit. High performers are given priority in taking up more responsible positions.
- Two-way communications between employees and management, which support mutual understanding and trust, are promoted to optimise collaboration, idea generation, risk management, and performance.
- Workplace safety is given top priority in promoting well-being and health, enabling employees to deliver their best performance.
- The protection of human rights in employment is fully supported, as guided by relevant internationally accepted principles such as those in the Universal Declaration of Human Rights (<http://www.un.org/en/documents/udhr/>), and is reflected in our Employment Policy and Equal Opportunities Policy. Employees' freedom of speech and association are respected as long as they are within the legal boundaries and the relevant guidelines set out in the Group Corporate Communications Policy are followed.

## Equal Employment Opportunities

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The Group aims to provide employment which offers fair and equitable remuneration in relation to its employees' responsibilities and performance. The Group's salary policy is designed to attract, motivate, and retain a high calibre workforce. It also sets out the following guiding principles:

- External competitiveness – The Group aims to pay salaries which are competitive in the market for similar jobs. Consideration is given to the market pay levels, pay trend, and supply and demand in the labour market.
- Internal equity – All jobs are categorised into job grades with reference to the job's responsibilities and function.
- Individual profile – Salary should be commensurate with the individual employee's qualifications and experience.
- Performance – Results achieved, personal effort, and modelling HKEX corporate values are prime factors in determining the remuneration package of individual employee.
- Cost efficiency – The Group aims to achieve these principles at a reasonable cost and within budget.

The Group seeks to recruit the best qualified people and to maintain a pool of human resources according to the manpower requirement and planning of the Group.

Whenever possible, the Group also seeks to transfer or promote well performing and capable employees to fill vacancies so that employees are provided with opportunities to widen their exposure and further their career development within the Group.

All applicants have equal opportunities of employment irrespective of their age, gender, marital status, pregnancy, family status, sexuality, disability, race, nationality, or religion (provided that these do not impede the abilities of the prospective appointees to carry out normal job duties or affect the health and safety of fellow employees).

Job applicants are treated fairly and equally. Employment is offered only to the best suitable applicants with reference to their merits and abilities to meet the requirements of the jobs, irrespective of whether they are referrals or direct applicants.

## **Developing Talent**

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The main objective of talent development in the Group is to help develop key competencies which enable individual employees to perform their current or future jobs successfully.

In this regard, all learning and development initiatives are structured with the following focuses:

- Strengthening the job skills/knowledge of employees;
- Improving operational efficiency and productivity;
- Fulfilling or building required legal, or regulatory knowledge; and/or
- Developing the potential of employees for maximum mutual benefit to individuals and HKEX.

## **Work-life Balance**

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The purpose of the Group's holiday and leave benefits is to support a good work-life balance amongst employees. We recognise that physical and mental well-being and interests outside of work are critical to high performing staff and teams. Our aim is to release employees from the pressure of work and to provide them with time off for regular holiday, or under circumstances such as sickness, marriage, and pregnancy. Employees can apply for leave in accordance with their terms and conditions of employment.

## **Open Communication**

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The Group encourages open and candid two-way communications with employees at all levels. It believes that effective communication helps build mutual understanding and trust, and contributes to a constructive and cheerful working environment. Good communications support high performance and organisational success.

The Group is also committed to ensuring the fair treatment of all employees when dealing with their grievances with a view to addressing problems in the best possible manner.

Employees should:

- Be provided with fair treatment on their grievances by the management of the Group;
- Be given a fair hearing concerning any grievances;
- Have the right to channel their grievances to the Chief Executive and in the case of grievances against the Chief Executive to the Chairman; and
- Have the right to appeal to the Chairman against a decision made by the Chief Executive.

## Health & Safety Consideration

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The Group is committed to achieving a high standard of occupational health and safety. It will adhere to the principle that occupational safety and the health of employees should be given the first and foremost consideration at work. General guidelines are as follows:

- Risk assessments will be conducted to identify any actual and potential hazards and risks to each individual, and promote a safe and hygienic work environment for employees by reducing, eliminating, and controlling workplace hazards.
- Safety management systems will be monitored, reviewed, and regularly audited on safety and health performance.
- A complete set of emergency procedures are set out and tested, drilled, and updated systematically as required by law.
- Health and safety training will be organised periodically to equip employees with the knowledge and skills to perform their duties in a safe manner.
- Employees should comply with the health and safety measures of the Group and cooperate in all safety-related tests, drills, and auditing.
- Employees should be fully aware of their personal responsibilities regarding occupational safety and health. They must be constantly alert to potential risks and hazards related to their activities, and should avoid improper behaviour or operation that may lead to accidents or occupational diseases or injury.
- Employees liaising with external contractors should ensure that those contractors will meet the same safety standards and requirements as the Group.
- Smoking is prohibited in the entire office premises covering enclosed offices, open office areas, conference rooms, pantries, toilets, and lift lobbies.
- Host employees should take the initiative to advise their guests and visitors of the Group's smoke-free policy, where appropriate.
- Non-compliance with the Group's health and safety-related policies may result in disciplinary action.

## Code of Conduct

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Professionalism, high ethical standards, integrity, and honesty of employees are crucial for the Group in pursuing and maintaining its regulatory role in the securities market. The Group's Code of Conduct (the Code) sets down the employees' legal obligations while employed by the Group. The Code also provides guidelines to assist employees in understanding and complying with such legal obligations.

All employees must comply with all the requirements set out in the Code in addition to the terms and conditions of employment set out in their contracts of employment. They include permanent, contract, and temporary employees of the Group. **Those who are in breach of any provision of the Code may be subject to summary dismissal.** Employees are required to comply with the latest policies which will be amended from time to time as appropriate.

## Ethics at Work

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Employees must carry out their work with a high degree of dedication and professionalism. It is important that employees:

- Accomplish and discharge their duties and responsibilities prudently and diligently to the best of their professional knowledge, skills, and abilities in order to meet the time, quality, and productivity standards of work;
- Engage faithfully only in activities that are consistent with their official responsibilities and authority and which do not damage the business interests of the Group;
- Utilise time, supplies, equipment, and office facilities with due caution solely for the benefit of the Group;
- Behave properly at all times with integrity and courtesy to upkeep the Group's public image as a respectable high performance organisation; and
- Co-operate with fellow employees and work as a team for the benefit of the Group; and
- Look to demonstrate the Corporate Values of Integrity, Excellence, Collaboration, Engagement, and Diversity.

## Anti-Bribery and Anti-Corruption

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The Group supports a culture of integrity, ethical conduct, fairness, honesty, and openness when doing business. The Group takes a zero tolerance approach to bribery and corrupt practices, and promotes reputational, customer, and business partner confidence. The Group is committed to ensuring that no bribes, kickbacks, or similar gifts, payments, or advantages are solicited from, given, or offered to any person, whether in the public or private sector, for any purpose.

All employees (including temporary, contract, seconded, or work experience staff) and consultants of the Group, directors of HKEX and its subsidiaries, and members of committees of the Group are required to adhere to high standards of business, professional, and ethical conduct. The Group Anti-Bribery and Anti-Corruption Policy is intended to set out minimum standards to assist such persons in recognising circumstance which may lead to, or give the appearance of involving, corruption or unethical business conduct, to avoid conduct which is clearly prohibited, and to promptly seek guidance where it is not.

Persons should adhere to all applicable anti-bribery legislation, in particular the Hong Kong Prevention of Bribery Ordinance, the UK Bribery Act 2010, , the PRC Criminal Law and PRC Anti-Unfair Competition Law, and avoid the common law offence of misconduct in public office.

### Loans To and From Business Associates

Except for normal banking facilities, employees and their immediate family members (spouse and children) are not allowed to accept loans from, or provide or guarantee loans to, any individual or organisation that has official dealings with the Group.

### Gambling

Employees are advised not to engage in frequent and excessive gambling of any kind with persons having business dealings or a business relationship with the Group. In social games with customers, contractors, or suppliers, employees must exercise judgement and withdraw from any high stake games.

## Personal Transactions in Securities, Futures Contracts & Derivatives

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Employees and their related persons may deal in securities, futures contracts, and derivatives for the purpose of personal investment but they must seek prior approval, make post trade declarations, and fully comply with the Group Personal Account Dealing Policy.

## Conflicts of Interest

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Conflicts of interest situations arise when the personal interests of employees compete or conflict with the interests of the Group.

Employees can be regarded as having a conflict of interest where the companies or firms they are associated with derive a financial benefit from their association, by competing or conflicting with the interests of the Group.

Employees should avoid conflicts of interest, whether direct or indirect, or whether actual or potential, which may compromise their integrity and put the Group's interests and reputation at stake.

Employees are required at all times to declare conflicts of interest, whether it is direct or indirect, or whether it is actual or potential, and, if so required by the Group, withdraw from any consideration or decision of a matter in which the employees may have an interest, any consideration, or decision on entry into any dealing with the Group.

Employees shall not hold a financial interest, direct or indirect, in any stockbroking/futures brokerage firm or operate an agency on behalf of any stockbroking/futures brokerage firm.

## Confidentiality of Information

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Employees have a contractual responsibility to safeguard any confidential or sensitive information to which they have had access during their employment. Employees should not, during or after termination of their employment, disclose such information to any person within or outside the Group without the approval of their Heads of Division/Department or line managers except to colleagues who require such information in the proper course of their duties. This includes the media, family members, new employers, or customers. In addition, employees who need access to confidential files and records of another division/department must obtain prior written approval from that Head of Division/Department or line manager, or in his/her absence, the designated officer.

Employees should not make personal use of any confidential information which they have acquired in the course of their duties relating to listed companies' or market participants' businesses, operations, or affairs of the Group. They should not use any confidential information for the benefits of themselves or any other person. Using inside information to deal in securities or their derivatives is prohibited. Employees should take special precaution in complying with the relevant legal requirements.

The Group's Continuous Disclosure and Communication Policy, which is available on the HKEX Group website, provides guidelines to assist employees in handling confidential information, and to help employees working on sensitive strategic initiatives to fulfil the relevant obligations.

## Equal Opportunities

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The Group aims to eliminate discrimination, harassment and vilification in employment on the grounds of age, gender, marital status, pregnancy, family status, disability, sexuality, race, colour, descent, national or ethnic origin, nationality, or religion. It also aims to comply with local equal opportunities and anti-discrimination legal requirements to promote equal employment opportunities and to follow good management practices.

### Eliminating Discrimination in Employment

In preventing discrimination, employment related decisions such as recruitment, promotion, transfer, training, dismissal, and redundancy as well as terms and conditions of employment should be based on consistent selection criteria. Individuals should be assessed according to their ability to carry out a given job and should not be judged by irrelevant considerations. Employees who make employment-related decisions should not assume that persons of a particular age, gender, marital status, family status, sexuality, race, colour, descent, national or ethnic origin, nationality, or religion, or who are not pregnant or without a disability are only able to do certain kinds of work, and should ensure that these factors are not used as grounds for making decisions.

### Eliminating Harassment in Employment

The Group does not tolerate harassment of any kind. It is every employee's responsibility to recognise and take seriously the need to ensure that the workplace is free from any harassment and that all employees should treat their colleagues with respect. All employees have responsibilities as well as rights in the work environment. Harassment, particularly in its less severe forms, may have been part of accepted workplace behaviour in the past, but it is no longer acceptable. Implementing change requires each employee to consider their own attitudes and conduct as well as those of their colleagues.

Employees can do much to discourage harassment by making it clear that they find it unacceptable and by supporting colleagues who suffer harassment and are considering making a complaint.

All information and parties relating to the complaint will be kept in strict confidence.

## Intellectual Property Rights

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The Group respects intellectual property rights and will not use infringing articles in its business. Guidelines are in place to outline relevant copyrights-related legal requirements that all employees should pay attention to when discharging their duties.

To ensure that no employee renders himself, the organisation, any of its directors, or other employees criminally or civilly liable for copyright infringement, it is important for employees to comply with the copyright law in the course of their employment.

## Disciplinary Action

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Unsatisfactory job performance, misconduct, habitual lateness, absenteeism, failure to comply with the Group's policies and procedures or those that govern our legal and regulatory environment, or any other breaches of employer/employee relationship, may result in disciplinary action.

## Hong Kong Exchanges and Clearing Limited

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