

HONG KONG SECURITIES CLEARING COMPANY LIMITED
(the “Company”)

TERMS OF REFERENCE AND MODUS OPERANDI OF
CLEARING CONSULTATIVE PANEL
(“Panel”)

Membership

1. The Panel’s composition and its members’ term of service shall be subject to the Nomination Policy for Appointment of Members to the Clearing Consultative Panel as determined by the board of directors of the Company (“Board”) in consultation with boards of HKFE Clearing Corporation Limited and The SEHK Options Clearing House Limited.
2. The chairman and alternate chairman of the Panel shall be appointed by the Board and shall be senior executives of Hong Kong Exchanges and Clearing Limited (“HKEX”) who oversee clearing business related matters. The secretary of the Panel shall be appointed by the chairman of the Panel.

Frequency and proceedings of meetings

3. The Panel should meet at least once a year. Additional meetings should be held as the work of the Panel demands or at the discretion of the chairman / alternate chairman.
4. The meeting(s) shall be attended by the chairman and/ or the alternate chairman of the Panel and representatives as assigned by the Panel Members from time to time.
5. Other market participants may also be invited to attend the meeting(s).
6. Proceedings of meetings of the Panel shall be governed by the provisions of Article 93 of the Articles of Association of the Company.

Duties, powers and functions

7. The duties, powers and functions of the Panel shall be:
 - (a) to provide market expertise and advice to the Board on international trends, the needs of intermediaries, issuers, investors and other market participants, technology challenges and new product opportunities relating to the clearing;
 - (b) to consider such other topics and matters relating to the clearing as may be requested by the Board and to report back thereon;
 - (c) generally, to act as a sounding board for policy recommendations, strategic initiatives

and major investments in relation to the clearing; and

- (d) to discuss, formulate and advise the Board on the foregoing matters in accordance with the request of the Board from time to time.

Review

- 8. These terms of reference shall be subject to the Board's review, as it considers necessary in consultation with boards of HKFE Clearing Corporation Limited and The SEHK Options Clearing House Limited.

Reporting Procedures

- 9. The Panel should report to the HKEX's Board Executive Committee and Board of the Company and the boards of HKFE Clearing Corporation Limited and The SEHK Options Clearing House Limited on a regular basis, and in any case at least on an annual basis, about the work and findings of the Panel during the year. Updates to the Panel members' list shall also be provided to HKEX's Board Executive Committee for reference.

– END –