

HONG KONG EXCHANGES AND CLEARING LIMITED
(“HKEX”)
TERMS OF REFERENCE AND MODUS OPERANDI
OF
PANEL MEMBER NOMINATION COMMITTEE
(the “Committee”)

Membership

1. The Committee shall consist of five members – the three chairmen of the Cash Market Consultative Panel, the Derivatives Market Consultative Panel and the Clearing Consultative Panel (collectively, the “Consultative Panels”), and two directors appointed by the HKEX Board after considering the recommendations of the Nomination and Governance Committee.
2. The chairman of the Committee shall be selected by the members, and on an annual rotation basis.
3. The Company Secretary or his nominee shall act as the Secretary of the Committee.

Frequency and proceedings of meetings

4. The Committee shall meet before the expiry of the terms of appointment of the members of the Consultative Panels or when there are any casual vacancies as it considers necessary. Additional meetings shall be held as the work of the Committee demands.
5. The chairman of the Committee may convene additional meetings at his discretion.
6. Any three members of the Committee shall constitute a quorum of a Committee meeting.
7. Proceedings of meetings of the Committee shall be governed by Article 105 of the Articles of Association of HKEX.

Duties, powers and functions

8. The Committee shall –
 - (a) formulate the nomination policy for the appointment of members to the Consultative Panels for consideration of the HKEX Board and implement the nomination policy laid down by the HKEX Board;

- (b) without prejudice to the generality of the foregoing:
- (i) consider the selection criteria of members of the Consultative Panels and develop procedures for the sourcing and selection of suitable members of the Consultative Panels to be nominated to the HKEX Board;
 - (ii) identify and nominate candidates on the appointment or re-appointment of members of the Consultative Panels to the HKEX Board for its consideration and approval. Sufficient biographical details of nominated candidates shall be provided to the HKEX Board to enable them to make an informed decision;
 - (iii) identify and nominate candidates to fill casual vacancies of members for the HKEX Board's consideration and approval;
 - (iv) review the membership of the Consultative Panels on a regular basis, considering inter alia the length of service and the breadth of expertise of the Consultative Panels as a whole, and make recommendations to the HKEX Board regarding any proposed changes;
 - (v) do any such things to enable the Committee to discharge its powers and functions conferred on it by the HKEX Board; and
 - (vi) conform to any requirement, direction, and regulation that may from time to time be prescribed by the HKEX Board or contained in HKEX's constitution or imposed by legislation.

Reporting Procedures

9. The Committee shall report to the HKEX Board as and when necessary. Following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the HKEX Board at its next meeting.

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