

HONG KONG EXCHANGES AND CLEARING LIMITED
(the “Company”)

TERMS OF REFERENCE AND MODUS OPERANDI
OF
INTERNATIONAL ADVISORY COUNCIL

Objective

To keep the board of directors of the Company (the “Board”) abreast of the developments of major international financial centres, provide the Board with insights on the global geopolitical situation, the new economy, and global policy initiatives which may have an impact on the financial sector, and advise on any other issues as may be raised by the Board from time to time.

Membership

1. The Council shall consist of at least five members, comprising the following:
 - (a) the Chairman of the Board;
 - (b) the Chief Executive of the Company; and
 - (c) additional members who are distinguished business leaders, policymakers or industry experts with a global perspective nominated by the Chairman of the Board or the chairman of the Council.
2. The chairman of the Council shall either be the Chairman of the Board or a member of the Council appointed by the Board or the Chairman of the Board.
3. Members of the Council shall be appointed by the Board or by the chairman of the Council (upon consultation with the Chairman of the Board, in the event the chairman of the Council is not the Chairman of the Board).

Frequency and proceedings of meetings

4. The Council shall meet with the Board twice a year to discuss and advise on matters covered by these Terms of Reference. Each meeting with the Board shall be preceded by a meeting of the Council. Additional meetings of the Council may be held as the chairman of the Council considers necessary.
5. Meetings may be held through physical meetings or conference or video calls.
6. The quorum of a meeting of the Council shall be two members of whom at least one is the chairman of the Council.

7. The Company Secretary or his/her nominee shall act as the secretary to the Council.
8. Proceedings of meetings of the Council shall be governed by the provisions of Article 105 of the Articles of Association of the Company.

Duties, powers and functions

9. The duties, powers and functions of the Council shall be as follows:
 - (a) discuss with and advise the Board on the development of global markets including providing insights on international trends, and the issues, challenges and opportunities that they may pose to the Company;
 - (b) consider, discuss or advise on topics or issues relating to the internationalisation or diversification of the Company's business, services or products as may be requested by the Board; and
 - (c) generally act as a sounding board to the Board for policy recommendations, strategic direction and major business development or investment initiatives in relation to the Company's business and operations.
10. Members of the Council shall keep (a) all matters discussed with the Board and during Council meetings, and (b) all information which they receive in their capacity as Council members, confidential.

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