

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

TERMS OF REFERENCE AND MODUS OPERANDI
OF
MAINLAND CHINA ADVISORY GROUP

Objective

To provide the Company with high-level views on the economic outlook of Mainland China and other insights on Mainland China development, and to act as its sounding board on issues that may be relevant to its strategic or business development in Mainland China.

Membership

1. The Group shall consist of at least five members, comprising the following:
 - (a) the Chairman of the board of directors of the Company (the “Board”);
 - (b) the Chief Executive of the Company;
 - (c) a non-executive director of the Company with significant Mainland China experience and perspective; and
 - (d) additional members who are distinguished business leaders, policymakers or industry experts with Mainland China perspective nominated by the Chairman of the Board or the chairman of the Group.
2. The chairman of the Group shall either be the Chairman of the Board or a member of the Group appointed by the Board or the Chairman of the Board.
3. Members of the Group shall be appointed by the Board or by the chairman of the Group (upon consultation with the Chairman of the Board, in the event the chairman of the Group is not the Chairman of the Board).

Frequency and proceedings of meetings

4. The Group shall normally meet three to four times a year to discuss matters covered by these Terms of Reference, to exchange views and share insights among themselves or with the Board. Additional meetings of the Group may be held as the chairman of the Group considers necessary.
5. Meetings may be held physically or via conference or video calls.
6. The quorum of a meeting shall be two members of whom at least one is the chairman of the Group. The chairman of the Group may invite the Company’s senior executives or external parties to attend meetings as appropriate.
7. The chairman of the Group may invite the Company Secretary to attend meetings as the secretary to the Group if the chairman of the Group finds it necessary.

Duties, powers and functions

8. The duties, powers and functions of the Group shall be as follows:
 - (a) to provide market intelligence and other insights on Mainland China and on developing trends within Mainland China, whether relating to the financial markets, technology, economic outlook, reform proposals or otherwise;
 - (b) to consider, discuss or advise on topics or issues relating to the development or diversification of the Company's business, services or products in Mainland China; and
 - (c) generally to act as a sounding board to the Company or the Board for policy recommendations, strategic direction and major business development or investment initiatives in relation to the Company's business and operations in Mainland China.
9. Members of the Group shall keep confidential (a) all matters discussed during meetings, and (b) all information which they receive in their capacity as members.

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