

HONG KONG EXCHANGES AND CLEARING LIMITED

TERMS OF REFERENCE AND MODUS OPERANDI
OF
THE CORPORATE RESPONSIBILITY COMMITTEE

1. Status

The Corporate Responsibility Committee (the “**Committee**”) is a sub-committee of the board (the “**Board**”) of Hong Kong Exchanges and Clearing Limited (the “**Company**”) to which the Board has delegated consideration of the matters set out in paragraph 4 below.

2. Purpose

2.1 The Committee is to assist the Board in:

- (a) overseeing matters concerning the corporate responsibility (“CR”) management framework and policies of the Company and its subsidiaries (“the Group”);
- (b) providing direction on and overseeing the development and implementation of the CR strategy and initiatives of the Group; and
- (c) conducting an independent review and supervision of CR reporting to ensure the effectiveness of CR initiatives of the Group.

2.2 Unless the context otherwise implies, references in these terms of reference to “corporate responsibility” or “CR” shall be construed to cover aspects including but not limited to:

- (a) climate-related and environmental initiatives;
- (b) philanthropic and social impact and community investment initiatives;
- (c) employee development, wellness and engagement initiatives;
- (d) diversity and inclusion initiatives; and
- (e) any matters identified from time to time that are material to the Group’s long-term sustainable development.

3. Administrative Structure

(a) **Composition**

The Committee shall consist of the Chief Executive of the Company (as an ex-officio member of the Board) and at least four non-executive directors appointed by the Board after considering the recommendations of the Nomination and Governance Committee. Other members of the Board, senior management or external advisors may be invited by the chairman of the Committee to attend, as he or she considers appropriate.

(b) **Chairman**

The Board shall appoint the chairman of the Committee who should normally be the chairman of the Board. In the absence of the chairman and/or an appointed deputy at any meeting, the Committee will elect one of the members present to act as chairman. The chairman of the Committee should attend the annual general meeting to answer shareholder questions on the Committee's activities.

(c) **Reporting Procedures and Frequency of Meetings**

- (i) Minutes will be taken for all meetings and kept by the secretary of the Committee and, when the chairman of the Committee deems appropriate, tabled at meetings of the Board. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting.
- (ii) The Committee shall meet at least three times every year. Additional meetings shall be held at the request of the chairman. Meetings shall be summoned by the secretary of the Committee.
- (iii) The Group General Counsel or his/her nominee shall be the secretary of the Committee.
- (iv) The Committee chairman shall report regularly and formally to the Board at the next meeting of the Board following a meeting of the Committee, on matters within its remit.

(d) **Quorum**

Three members shall constitute a quorum. Decisions shall be determined by simple majority and, in the event of a tie, the chairman of the Committee shall have the casting vote. Proceedings of meetings of the Committee shall be governed by the provisions of Article 105 of the Articles of Association of the Company.

4. Areas of Responsibility

4.1 The Committee's responsibilities shall include the following:

CR management framework and policy

- (a) oversee and review the development and effectiveness of the Group's CR management framework and policies with a view to managing current and emerging environmental, social and governance ("ESG") risks and opportunities that are material to the Group in achieving its sustainable development, and make recommendations to the Board for approval;
- (b) review and approve new or substantial changes to the Group's CR-related policies, except those within the remit of other Board committees;
- (c) monitor and review annually the effectiveness of the CR management functions to ensure adequate resources, staff qualifications and experience, training programmes and budget of the Group's ESG performance and reporting;

CR strategy and initiatives

- (d) review and approve results of the materiality assessment of the Group's ESG risks and opportunities and of CR topics that may affect the Group;
- (e) oversee and review the development, implementation, target-setting and funding of the Group's CR strategy and initiatives and other actions within these terms of reference;
- (f) review and monitor the annual performance and feedback on CR initiatives, and make recommendations to improve the coverage and effectiveness of the relevant initiatives;
- (g) monitor and provide guidance to the Executive Corporate Responsibility Committee on the Group's operations and engagement that have significant ESG impact to ensure that they remain relevant and fit for purpose and compliant with applicable legal and regulatory requirements and international standards;
- (h) with respect to HKEX Foundation Limited:
 - (i) review and approve its governance structure, annual budget and work plan; and
 - (ii) monitor its operation, work progress, community investment and engagement efforts and provide updates to the Board as appropriate;

Oversight of external communications policies

- (i) review and approve any updates to the Group's shareholder communication policy to ensure its effectiveness;
- (j) oversee how the Group engages with its stakeholders and ensure that appropriate communications policies are in place and working effectively to promote Group's relationship with its stakeholders and protect its reputation;

Other responsibilities

- (k) review the annual Corporate Responsibility Report and the Corporate Responsibility Committee Report in the Company's annual report and make recommendations to the Board for approval;
- (l) review and evaluate the performance of the Committee and these terms of reference to ensure that it is operating at maximum effectiveness, and recommend any changes it considers appropriate for the Board's approval; and
- (m) do any such things as are necessary to enable the Committee to discharge its responsibilities.

4.2 In carrying out its responsibilities, the Committee shall work and liaise as necessary with all other Board committees, and give due consideration to all relevant laws, rules, regulations and regulatory requirements and guidance applicable to the Group.

5. Authority and Powers

- (a) The Committee may:
 - (i) delegate certain of its responsibilities to sub-committees comprising one or more of its members with such powers as are necessary to discharge the relevant responsibilities;
 - (ii) delegate to the chairman of the Committee authority to make decisions on matters which may need attention between Committee meetings, with such decisions to be reported or ratified in the next meeting of the Committee;
 - (iii) require reports, analyses and third-party independent reviews to be prepared to enable it to discharge its duties; and
 - (iv) review or consider matters outside these terms of reference if required to do so by the Board.

- (b) The Committee is authorised to:
 - (i) have access to such training and resources (including employees) in order to carry out its duties as it may consider appropriate;
 - (ii) obtain, at the Company's expense, any advice or support from external advisers or experts including CR consultants and legal advisers; and
 - (iii) have access to any information, record or report from any Group employee in order to perform its duties and request any employee to attend Committee meetings and answer questions as and when required.

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