

HONG KONG EXCHANGES AND CLEARING LIMITED
(“Company”)
BOARD DIVERSITY POLICY

1. Purpose

- 1.1 This Policy aims to set out the approach to achieve diversity on the Company’s board of directors (“Board”).

2. Vision

- 2.1 The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

3. Policy Statement

- 3.1 With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.
- 3.2 In designing the Board’s composition, Board diversity has been considered from a wide range of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Company and its subsidiaries (“Group”), and support succession planning and development of the Board. For achieving an optimal Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness.

4. Measurable Objectives

- 4.1 Selection of candidates will be based on the Company’s Nomination Policy and will take into account this Policy. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect.
- 4.2 The Board will take opportunities to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders’ expectation and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity. The Board also aspires to having an appropriate proportion of directors who have direct experience in the Group’s core markets, with different ethnic backgrounds, and reflecting the Group’s strategy.

5. Review and Monitoring

- 5.1 The Nomination and Governance Committee (“NGC”) will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The NGC will discuss any revisions to the Policy that may be required and make recommendation to the Board for approval.
- 5.2 The NGC will monitor the implementation of this Policy by conducting review of the Board’s composition at least once annually taking into account the benefits of all relevant diversity aspects, and adhering to this Policy when making recommendation on any Board appointments. The NGC will also ensure that Board diversity is considered as part of the evaluation of the Board’s effectiveness.
- 5.3 A bespoke and comprehensive induction programme will be provided to each new director to ensure that he or she has a thorough understanding of the Group’s operations and policies as well as his or her role and responsibilities and to address any gaps in his or her knowledge. Relevant training will also be provided to directors from time to time to equip themselves with the attributes and competencies required for the Board in light of the strategic needs of the Group and the environment in which it operates.

6. Disclosure

- 6.1 This Policy will be published on the Company’s website (www.hkexgroup.com).
- 6.2 A summary of this Policy together with any measurable objectives/specific diversity targets set for implementing this Policy, and the progress made towards achieving those objectives/targets will be disclosed in the Corporate Governance Report contained in the Company’s annual report. The Board composition and the results of the NGC’s review of the Board composition will also be disclosed in the Corporate Governance Report.

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