

# **MTR Corporation Limited (the “Company”)**

## **Nomination Policy**

### **1. Objective and Scope**

- 1.1 The Company is committed to ensuring the board of directors of the Company (the “Board”) has a balance of skills, knowledge, experience and diversity (including but not limited to gender and ethnicity) of perspectives appropriate to the Company’s business needs and development, and to ensuring that the directors devote sufficient time and make contributions to the Company that are commensurate with their roles and Board responsibilities.
- 1.2 This policy sets out the process and procedures which govern the nomination of members of the Board (“Members”) applicable to both new appointments and re-appointments, except for appointments made by the Chief Executive of the Hong Kong Special Administrative Region pursuant to Section 8 of the Mass Transit Railway Ordinance (Chapter 556 of the Laws of Hong Kong) and nomination by shareholders of the Company (the “Shareholders”) in accordance with the Articles of Association of the Company<sup>1</sup>.

### **2. Role of Nominations Committee**

- 2.1 The Board has delegated to the Nominations Committee of the Company (the “Nominations Committee”) the authority to identify and assess potential candidates for appointment to the Board and, if thought fit, to nominate and make recommendations to the Board in respect of new appointments and re-appointments.
- 2.2 The ultimate decision relating to the appointment of Members outside of the Company’s general meetings rests with the Board.

### **3. Nomination Procedures for Appointments and Re-appointments**

#### **3.1 Appointments by the Board during the year**

For the purpose of this policy, appointment includes both additional and replacement appointments to the Board during the year.

- (i) Identification of candidates

The Nominations Committee has been delegated authority to identify potential candidates for appointment to the Board through different means and channels, including recommendations from Members, use of external search firms, and any other means or channels that it deems appropriate.

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<sup>1</sup> For details of nomination by Shareholders, please refer to the “Appointment Procedure for Members of the Board of MTR Corporation Limited” on the Company’s website ([www.mtr.com.hk](http://www.mtr.com.hk)).

(ii) Request for candidate's information

Once a candidate has been identified, the Nominations Committee will request the candidate to provide his/her biographical information and other information deemed necessary, including but not limited to (i) information on his/her interests in the securities of the Company (if any); (ii) his/her consent to act as a Member and disclosure of information relating to his/her proposed appointment; and (iii) for an Independent Non-executive Director candidate, his/her declaration of independence in accordance with the criteria under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

(iii) Review by the Nominations Committee

The Nominations Committee will review and take reasonable steps to verify the information obtained from the candidate and seek clarification, where required. The Nominations Committee may, at its discretion, invite any candidate to meet with Committee members to assist them in their consideration of the proposed nomination or recommendation. The Nominations Committee will then submit its nomination proposal to the Board for consideration and approval.

### **3.2 Appointments by the Shareholders at a General Meeting**

For the proposed appointment of any candidate at a general meeting of the Company, the Nominations Committee will follow paragraph 3.1(i) to (iii) above and make a recommendation to the Board for its consideration and the Board will, at its discretion, make a recommendation to the Shareholders. Details of the proposed candidate(s) including his/her/their personal particulars and the Board's recommendation(s) will be included in a circular to be sent to the Shareholders for consideration in accordance with the applicable Listing Rules. Until the issue of such circular, the nominated candidate(s) shall not assume that he/she/they has/have been proposed by the Board to stand for election at the Company's general meeting.

### **3.3 Re-appointments at a General Meeting**

In the case of re-appointments of Members at an annual general meeting of the Company, the Nominations Committee will review the profile of the Members who have offered themselves for re-appointment to consider their suitability in light of the strategy of the Company as well as the structure, size, diversity profile, composition and skills matrix of the Board and such other factors that the Nominations Committee deems fit. The Nominations Committee will then make recommendations for the Board's consideration and the Board will, at its discretion, make recommendations to the Shareholders.

The Nominations Committee should include in its recommendation to the Board for consideration the justifications for re-appointing a Member who has completed three consecutive terms of service (each of three years). For an independent non-executive director who has completed more than three consecutive terms of service (i.e. nine years), the recommendation for re-appointment should state why the Nominations Committee believes he / she is still independent and should be re-appointed, including the factors considered, the process and the discussion of the Nominations Committee in arriving at such determination.

Details of the retiring Members who are to stand for re-appointment at an annual general meeting, including their personal particulars and the Board's recommendations, will be included in a circular to be sent to the Shareholders for consideration in accordance with the applicable Listing Rules.

#### **4. Selection Parameters**

In evaluating a proposed candidate, including a Member eligible for re-appointment, the Nominations Committee will consider the following factors (which are by no means exhaustive):

- (i) the strategy of the Company;
- (ii) the structure, size, diversity profile, composition, skills matrix and needs of the Board and its respective Board Committees at the time (including the number of Independent Non-executive Directors on the Board), taking into account succession planning and the diversity of the Board, where appropriate;
- (iii) the required skills, which should be complementary to those of the existing Members;
- (iv) the Board Diversity Policy of the Company as adopted/amended by the Board from time to time;
- (v) any information obtained through third party references or background checks;
- (vi) any other factors that may be used as reference in assessing the suitability of a proposed candidate, including but not limited to the candidate's reputation for integrity, qualifications, accomplishments, likely commitment in terms of time and interest, and expected contribution to the Company;
- (vii) if a proposed candidate will be holding his/her seventh (or more) directorship of an issuer listed on the Main Board or GEM, the candidate's ability to devote sufficient time to the Board;
- (viii) the need for a strong independent element on the Board; and

- (ix) the independence of a candidate proposed to be appointed as an Independent Non-executive Director, in particular by reference to the independence requirements under the Listing Rules.

The Nominations Committee is vested with discretion to take into account such other factors as it may consider appropriate.

## **5. Monitoring and Reviewing of this Policy**

The Nominations Committee will review the implementation of this Policy at least annually, including the mechanisms for ensuring independent views and input are available to the Board, and make recommendations on any proposed changes to the Board for the Board's review and approval to ensure its effectiveness.

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*This document is in English and Chinese. In case of any inconsistency, the English version shall prevail.*