

# MTR Corporation Limited

## Nominations Committee – Terms of Reference

### 1. Constitution

The Board of MTR Corporation Limited (the “Company”) has resolved to establish a committee of the Board known as the Nominations Committee (the “Committee”).

### 2. Membership

- 2.1 The Committee shall consist of seven non-executive directors of the Company, of which it shall include (i) the Chairman of the Company, (ii) two non-executive directors representing the Government (whether by appointment under Section 8 of the MTR Ordinance or by direct nomination as provided under Articles 88 and 89 of the Articles of Association of the Company), and (iii) four other independent non-executive directors of the Company.
- 2.2 All members of the Committee (including the Chairman of the Committee) shall be appointed by the Board.
- 2.3 The Chairman of the Committee shall be an independent non-executive director of the Company.
- 2.4 Notwithstanding anything to the contrary and for the avoidance of doubt, majority of members of the Committee shall be independent non-executive directors of the Company.
- 2.5 Subject to Clauses 2.1 and 2.4, if a regular member is unable to act due to absence, illness or any other cause, the Chairman of the Committee may appoint any non-executive director of the Company (i.e. other than those already a member of the Committee) to serve as an alternate member.

### 3. Secretary

The Secretary of the Committee shall either be the Company Secretary or his/her designate.

### 4. Quorum

The quorum necessary for the transaction of the business of the Committee shall be five members (including alternate member(s) that may be appointed pursuant to Clause 2.5 above) PROVIDED THAT at least one member shall be a non-executive director representing the Government (whether appointed under Section 8 of the MTR Ordinance or by direct nomination as provided under Articles 88 and 89 of the Articles of Association of the Company) and

THAT the majority of them shall be independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

**5. Decision Making**

All decisions of the Committee shall be made by majority vote.

**6. Frequency of Meetings**

The Committee will meet as and when required.

**7. Notice of Meetings**

Meetings shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee. An agenda and accompanying Committee papers shall be circulated to all members (including alternate member(s) that may be appointed pursuant to Clause 2.5 above) in a timely manner and at least 3 days before the intended date of a Committee meeting insofar as it is practicable. Such papers and related materials shall be in a form and quality as will enable the Committee to make an informed decision on the matters placed before it.

**8. Authority**

8.1 In the event that the Committee considers it necessary to seek independent professional advice in relation to the affairs of the Committee, they should first seek, unless the circumstances are such that it would be inappropriate for them to seek such approval, the approval of the Chairman of the Company. The Company will pay for any expenses reasonably incurred.

8.2 Members of the Committee will be entitled to request from the Company and its directors, employees, auditors and advisers all such information as they may reasonably require in order to be able to perform their duties as a member of the Committee and, upon receipt of a request for any such information from them, the Company will use its reasonable endeavours to procure that such information is provided to them promptly.

**9. Duties**

9.1 The Committee will take full account of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

9.2 The duties of the Committee shall be to:-

- (a) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make

recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

- (b) identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
  - (c) assess the independence of independent non-executive directors; and
  - (d) make recommendations to the Board on the appointment or re-appointment of members of the Board and succession planning for members of the Board.
- 9.3 Without limiting the generality of the foregoing, the Committee shall recommend and nominate candidates to fill the positions of Chief Executive Officer (the "CEO"), Finance Director (the "FD") and Chief Operating Officer (the "COO") (provided that the COO position exists) of the Company.
- 9.4 For the positions of FD and COO, the Committee may consider candidates recommended by the CEO, or any other candidates (provided that the CEO shall have the right to first agree to such other candidates).

## **10. Reporting Procedures**

- 10.1 The Secretary of the Committee will keep and circulate the minutes of meetings of the Committee to all members of the Board. Minutes of meetings of the Committee should record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by the Committee members or dissenting views expressed.
- 10.2 The Chairman of the Committee should attend annual general meetings to answer any shareholder's questions. In the Chairman's absence, his duly appointed delegate or failing this another member of the Committee should attend in his place.
- 10.3 Except where this would violate legal or regulatory requirements, the Committee shall promptly report back to the Board all decisions and recommendations.

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