

## **MTR Corporation Limited**

### **Capital Works 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 Capital Works Committee (the “**Committee**”).

#### **2. Membership**

2.1 The members of the Committee shall be appointed by the Board and shall consist of at least four non-executive directors, a majority of whom shall be independent non-executive directors of the Company.

2.2 The Chairman of the Committee shall be an independent non-executive director appointed by the Board.

#### **3. Attendance at Meetings**

3.1 The Committee may, at its discretion, invite other members of the Board, members of the Executive Directorate, officers or employees of the Company, and any other persons it deems appropriate to attend meetings (or part thereof) of the Committee.

3.2 The Projects Director and the Engineering Director shall be regular attendees of the Committee’s meetings and, in case any one of them is unable to attend any of the meetings, a delegate should be appointed to attend the meetings on his/her behalf.

3.3 The Projects Director of the Company (or his/her delegate) shall be the Secretary of the Committee.

#### **4. Quorum**

The quorum necessary for the transaction of business of the Committee shall be three members of the Committee of which two must be independent non-executive director members. 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. Frequency of Meetings**

Meetings will be held as frequently as the Committee considers appropriate but no less than once every quarter. The Chairman at his/her own discretion or any two members jointly can request a meeting of the Committee.

## 6. **Notice of Meetings**

Meetings shall be convened by the Secretary of the Committee at the direction of the Chairman of the Committee. An agenda and accompanying papers shall be circulated to all members in a timely manner. 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.

## 7. **Authority**

7.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. Its work is to provide advisory support to the Board. It is authorised to seek from the Company, the members of the Executive Directorate, employees and advisers any information it reasonably requires in order to perform its duties and, upon receipt of a request for such information, the Company and the members of the Executive Directorate, employees and advisers will use their reasonable endeavours to ensure that such information is provided promptly.

7.2 The Committee is authorised to obtain outside independent professional advice as it considers necessary and to secure the attendance of external professional advisers at the meetings of the Committee as it deems necessary. The Company will pay for any expenses reasonably incurred.

## 8. **Duties**

The duties of the Committee shall be to:

- (a) oversee (i) any capital project of the Company in Hong Kong and outside of Hong Kong (whether carried out by the Company itself or through a subsidiary and whether on its own account or as agent/manager) involving design and/or construction activities ("**Relevant Project**") with a capital value in excess of HK\$10 billion (or its equivalent in other currencies), which amount shall be reviewed by the Committee (and approved by the Board) on an annual basis; and (ii) any other Relevant Project, in the event that such Relevant Project is four months or more behind programme on an overall basis;
- (b) review the progress of such projects, from both a programme and cost perspective;
- (c) review matters that could have a material impact on the quality, delivery and management of such projects, including processes and protocols adopted by the Company in supervising and managing the projects and non-compliances in relation to materials, works and processes;

- (d) check that there are adequate resources for and supervision of such projects;
- (e) keep under review the Company's communication strategy and protocols, and crisis management plan in respect of each of such projects; and
- (f) report to the Board on a quarterly basis and on ad hoc basis if the Committee deems appropriate, in respect of the above.

For the avoidance of doubt:

- (i) the Committee is not responsible for supervising the performance of any members of the Executive Directorate (nor mandated to do so) and is not required to become involved in day to day operations, management functions or decision making; and
- (ii) the Committee's role is not to manage those Relevant Projects which fall under its remit, but to provide oversight and advice to the Board on the matters mentioned above in relation to such projects.

## 9. Reporting Procedures

- 9.1 The members of the Committee shall cause minutes to be made of all resolutions and proceedings of the Committee including the names of all those present and in attendance at meetings of the Committee. Minutes of Committee meetings shall record in sufficient detail the matters considered by the Committee members and decisions reached, including any concerns raised by Committee members and dissenting views expressed.
- 9.2 The minutes of Committee meetings shall be circulated by the Secretary of the Committee (or his/her delegate) to all members of the Committee for their comments and record respectively, in both cases within a reasonable time after the Committee meeting is held. Such minutes shall also be available, if requested, to other members of the Board.

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