

Part 4

Communication with Shareholders:

Encouraging participation by shareholders

Summary of relevant sections of the Corporate Governance Code (“Code”) (Appendix 14 Main Board and Appendix 15 Growth Enterprise Market Listing Rules)

Code Section E.1 - Communication with Shareholders: Principle

The board should be responsible for maintaining **on-going dialogue** with **shareholders** and in particular, use **annual general meetings (“AGMs”)** or other general meetings to **communicate** with them and **encourage** their **participation**.

- **Code Provisions:**

There are detailed Code Provisions governing (i) AGMs (e.g. attendance by board members; notice period; voting procedures) and (ii) establishment of a shareholders’ communication policy by the board. (E.1.1-E.1.4).

- **Corporate Governance Report (“CG Report”):**

There is no separate requirement for the CG Report.

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1. Analysis: Key themes underlying the Code requirements

- 1.1 Underlying all these is the principle to encourage **effective participation by shareholders**. Arising from this is the need to ensure an **effective dialogue with shareholders** – hence the board chairman, committee chairmen and external auditors are expected to attend the AGM and be available to answer questions.
- 1.2 While **AGMs** are a **special focus** of the shareholders’ communication policy under the Code, it is important that there be an on-going dialogue with shareholders generally.
- 1.3 To sum up, there are the following key themes:
- A. **The board should maintain an effective on-going dialogue with shareholders.**
 - B. **AGMs are a special focus of the shareholders’ communication policy and should be treated as an opportunity to enhance two-way communication with shareholders.**



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2. How to provide meaningful disclosure in relation to the key themes

As indicated above, the key is how the board maintains an effective dialogue and communication with shareholders. In terms of disclosure, it is helpful to describe the key aspects of the communications policy. Regarding AGMs, what special efforts have been made to encourage shareholder participation?

Under each theme, we have included brief **commentary**, with **examples**, where appropriate. Additional information that an issuer’s report users, including investors, may consider useful, is also explained.

Theme A: The board should maintain effective on-going dialogue with shareholders.

Sub-theme (A.1): Shareholder communication policy

An issuer may have different shareholder communication programmes, depending on its shareholder base, including its geographical spread. A shareholder communication policy serves to clearly explain the guiding principles and how they should be executed in practice.

For institutional shareholders, the policy may include senior management participation in “roadshow” meetings and meetings at industry conferences, shareholder tours to company properties and facilities, and communication with analysts and institutional investors (including one-on-one meetings).

Electronic communications are becoming increasingly important. Company websites may be the first point of contact. It is helpful to have a dedicated, regularly-updated investor relations section. Presentations delivered by management (including to analysts) and interviews with management could be made available, including, where available, webcast facilities, in the investor relations section. Other channels of communication may include mobile sites, online (interactive) annual reports (including supplementary reports, such as corporate social responsibility or sustainability reports) and smart phone applications.

In addition to accessing information on the company’s website, investors and other report users should be able to contact the company at any time by email, telephone or in writing. The company should provide points of contact and should undertake to answer any enquiry within a certain time frame. Internally, the company should have a register to record all enquiries and whether they have been responded to properly.

The contact details of designated company officers should be clearly identified on the company’s website, in the annual report and in other communications.

While the company should engage in an ongoing dialogue with shareholders, it is important to avoid selective disclosure. It is particularly important where this may involve “inside information”, under the new Part XIVA of the Securities and Futures Ordinance (Cap.571), as selective disclosure of inside information may constitute a breach of the law.



Theme A: Examples

In the following example, the company sets out its objective to enable shareholders to engage actively with it and the company provides information on its shareholders' communication policy (the full statement of which is available on its website), communication with investors during the year, and contacts. It has a designated "investor's information" section on its website containing additional information.

Enquiries from Shareholders

The Company has a Shareholders' Communication Policy to provide shareholders with information about the Company to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

The Company's Shareholders Communication Policy available on both the websites of the Company and the Stock Exchange, has set out, amongst other things, a channel for shareholders' access to the Board and Management by writing to the Company Secretary of the Company.

Please also refer to the Investor Relations section on pages • to • on other means of communication with shareholders.

Communicating with Institutional Investors

Our proactive approach to investor relations has made the Company one of the most widely covered companies in Hong Kong. A significant number of local and international brokers publish reports on the Company, often on a regular basis. We are also followed by a wide range of institutional investors.

Management takes great efforts to maintain an open dialogue with the investment community to ensure a thorough understanding of the Company and its business strategies. To this end, we participate in investor conferences and roadshows. During 2012, nearly 300 meetings were held with institutional investors and research analysts in Hong Kong and internationally.

Access to Information

To ensure all shareholders have equal and timely access to important Company information, we make extensive use of the corporate website. The Investor Information section offers a level of information disclosure in readily accessible form. Financial reports, patronage figures, together with other Company news and stock exchange filings, are easily accessible on other sections of the website.

In addition to the shareholder services offered by Computershare, the Company's dedicated hotline answered more than 50,000 enquiries from individual shareholders in 2012.

(Both sections above taken from MTR Corporation Limited, Annual Report 2012)



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Key Shareholder Information

Financial Calendar 2013

Announcement of 2012 annual results	11 March
Annual General Meeting	9 May
Last day to register for 2012 final dividend	14 May
Book closure period	15 to 21 May (both dates inclusive)
2012 final dividend payment date	On or about 5 June
Announcement of 2013 interim results	August
2013 interim dividend payment date	September
Financial year end	31 December

Principal Place of Business and Registered Office

MTR Corporation Limited, incorporated and domiciled in Hong Kong
MTR Headquarters Building, Telford Plaza, Kowloon Bay, Kowloon,
Hong Kong
Telephone: (852) ●●
Facsimile: (852) ●●

Share Information

Listing

MTR Corporation Limited's shares are listed on the Stock Exchange of Hong Kong. In addition, shares are traded in the United States through an American Depositary Receipt ("ADR") Level 1 Programme sponsored by JPMorgan Chase Bank, N.A.

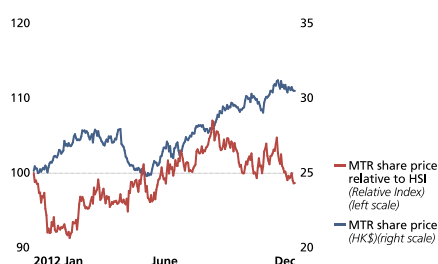
Ordinary Shares (as at 31 December 2012)

Shares outstanding	5,793,196,650 shares
Hong Kong SAR Government Shareholding	4,434,552,207 shares (76.5%)
Free float	1,358,644,443 shares (23.5%)

Nominal Value HK\$1 per share

Market Capitalisation (as at 31 December 2012) HK\$176,692 million

Share Price Performance



Dividend Policy

Subject to the financial performance of the Company, the Company intends to follow a progressive dividend policy. We also expect to pay two dividends each financial year with interim and final dividends payable around September and June respectively.

Dividend per Share	(in HK\$)
2011 Total Dividend	0.76
2012 Interim Dividend	0.25
2012 Final Dividend	0.54

ADR Level 1 Programme

ADR to Ordinary Shares Ratio	1:10
Depository Bank	JPMorgan Chase & Co. P.O. Box 64504 St. Paul, MN 55164-0504 U.S.A.

Stock Codes

Ordinary Shares

The Stock Exchange of Hong Kong	66
Reuters	0066.HK
Bloomberg	66 HK

ADR Level 1 Programme MTRJY

Annual Report 2012

Shareholders can obtain copies of our annual report by writing to:
Computershare Hong Kong Investor Services Limited,
17M Floor, Hopewell Centre,
183 Queen's Road East, Wan Chai, Hong Kong

If you are not a shareholder, please write to:

Corporate Relations Department, MTR Corporation Limited
MTR Headquarters Building, Telford Plaza, Kowloon Bay,
Kowloon, Hong Kong

Our annual/interim reports and accounts are also available online at our corporate website at <http://www.mtr.com.hk>

Shareholder Services

Any matters relating to your shareholding, such as transfer of shares, change of name or address, and loss of share certificates should be addressed in writing to the Registrar:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen's Road East, Wan Chai, Hong Kong
Telephone: (852) ●●
Facsimile: (852) ●●

Shareholder Enquiries

Shareholders are, at any time, welcome to raise questions and request information (to the extent it is publicly available) from the Board and management by writing to the Company Secretary, MTR Corporation Limited, MTR Headquarters Building, Telford Plaza, Kowloon Bay, Kowloon, Hong Kong. Any such letter should be marked "Shareholders' Communications" on the envelope.

Our enquiry hotline is operational during normal office hours:
Telephone: (852) ●●

Investor Relations

For enquiries from institutional investors and securities analysts, please contact:

Investor Relations Department, MTR Corporation Limited
MTR Headquarters Building, Telford Plaza, Kowloon Bay,
Kowloon, Hong Kong

Email: investor@●●

(MTR Corporation Limited, Annual Report 2012)

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Sub-theme (A.2): Additional information

In addition, report users, including investors, would be interested to understand the following:

- *Co-ordinating disclosure of material information to shareholders and other report users*

It is important for listed issuers to ensure consistent disclosure practices, aimed at accurate, timely and broadly-disseminated disclosure of material information about themselves. It is helpful to have in place a corporate disclosure policy providing guidance on co-ordinating the disclosure of material information to shareholders, the investment community, analysts and the media, as well as processes for results announcements. Typically, this policy would identify the persons that may speak on behalf of the company and outline the responsibilities for communication with various report user groups. It should encompass key principles, including the determination and handling of inside information, business updates, disclosure channels and avoidance of selective disclosure.

- *How is shareholder feedback shared, discussed, and considered by the board?*

It is important to ensure that feedback from shareholders and the investment community is reported to the board on a regular basis. More importantly, investor feedback should not just be shared with the board and discussed, but should also be taken into consideration in board decisions and help the company to meet its objectives. Therefore, reports from the investor relations team should be a regular agenda item for each board meeting.



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Theme B: AGMs are a special focus of the shareholders' communication policy and should be treated as an opportunity to enhance two-way communication with shareholders.

The AGM is an important forum for the board to meet shareholders, in particular, retail shareholders. Issuers should take steps to facilitate shareholders' participation, including by selecting an appropriate venue and timing, and providing a sufficient notice period.

The board chairman and chairmen of committees should be actively involved in the AGM and be available to participate in a dialogue with shareholders.

In addition to the statutory part of the meeting, issuers may consider incorporating a business review session.

It is useful to include a discussion session, allowing the chairman and other board members to answer shareholders' questions. Issuers may consider encouraging shareholders to submit their questions before the AGM, so that issuers have enough time to prepare answers and, at the same time, shareholders appreciate that their questions are welcomed.

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Theme B: Example

The following international example reflects the company's efforts to encourage shareholder participation: The board and senior management made themselves available to speak to shareholders before the meeting and answered questions during the meeting. A live webcast was arranged and a recording of the meeting was posted on the company's website.

AGM

The AGM provides the Board with the opportunity to meet and engage directly with our shareholders, particularly our private shareholder. The 2012 AGM was held on *, the Board and the senior management were available to speak to before the meeting and the Chairman and Committee Chairmen answered shareholder questions during the formal part of the meeting, all resolutions were passed with votes ranging from * to *.

This year's AGM will be held at * on *. The Notice of Meeting sets out the schedule of the day and each of the resolutions being proposed at the meeting. A copy of the Notice can be downloaded at [link]. Once again the meeting will be webcast live and a recording of the meeting available on our website after the event.

Shareholders unable to attend the AGM are encouraged to vote in advance of the meeting, by using the proxy card sent with the Notice of Meeting.

(Marks and Spencer Group plc, Annual Report 2013)