
CAPITAL COMMITTEE

PURPOSE

The purpose of the Capital Committee (the “Committee”) is to assist with Board oversight of Metrolinx’s capital program through review and recommendation on strategic and transactional matters relating to the capital program, and related risks.

The Committee, as a standing committee of the Board, derives its mandate and responsibilities from the Board.

A. Operating Principles**1. Functions, Composition and Competencies**

- (a) There shall be a Capital Committee, the members of which shall be three or more Directors named by the Board from time to time.
- (b) Members of the Committee shall be independent of management and the Corporation.
- (c) The Committee will carry out the duties outlined in these Terms of Reference and such other functions as are assigned or delegated to it by the Board.
- (d) All members appointed to the Committee shall either:
 - (i) Upon appointment, possess skills and experience relevant to the Committee’s mandate; or
 - (ii) Undertake to become so within a reasonable period of time after appointment to the Committee.

Where appropriate, Committee members will enhance their familiarity with the development, design, procurement, implementation, integration, construction and management of complex, large infrastructure projects and programs and other areas relevant to their responsibilities by keeping abreast of trends and best practices in these areas and by participating in educational sessions or other development opportunities. The Corporation and its internal and external auditors shall support Committee members in these efforts.

2. **Chair** - The Committee Chair (the "Chair") will be appointed by the Board. Where the Chair is absent at any meeting, one of the members of the Committee who is chosen to act by the members present shall preside and have all the powers of the Chair.
3. **Quorum** - The presence of the lesser of (a) three members of the Committee, and (b) a majority of the then-current members of the Committee constitutes a quorum for a meeting of the Committee. In the event any Committee member declares a conflict of interest with regards to any one or more matters under consideration by the Committee, such Committee member will not attend that portion of the meeting dealing with such matter(s) and the foregoing quorum requirement will be reduced by one with regards to any decision or recommendation made with respect to such matter(s).
4. **Voting** - A matter put to a vote at a meeting of the Committee shall be decided by a majority of the votes cast, and in the event of an equality of votes the Chair has a second vote.
5. **Procedure and Conduct** - Subject to other provisions of the Corporate By-Laws, these Terms of Reference and any Board resolution respecting a specific matter, the Chair shall determine the procedure at and conduct of meetings of the Committee.
6. **Minutes** - Once they have been approved by the Committee, copies of the minutes of the Committee proceedings shall be deposited into the Committee meeting book by the Corporate Secretary. The Committee Minute Book shall be available to all of the Directors for inspection, upon request.
7. **Frequency and Calling of Meetings** - The Committee will meet at the discretion of the Chair, but not less frequently than four times each year. Additional, non-quarterly, meetings may be scheduled as appropriate for urgent matters requiring a decision from the Committee.
8. **Meeting Agenda and Materials** - If time and circumstances permit, a written agenda for each meeting of the Committee together with any related materials will be distributed to the members of the Committee at least five days in advance of the meeting date.
9. **Private Meetings** - The Committee shall have the opportunity to meet privately as a Committee with no members of Management present. The Committee shall meet privately with members of Management as required.
10. **Supplemental Attendees** - Any person who may possess information that would be useful to the Committee in carrying out its duties may be invited by the Chair to attend any meeting of the Committee.
11. **Secretary** - The Corporate Secretary or the Corporate Secretary's designate shall act as the Secretary of all meetings of the Committee.

12. **Reporting** - Where appropriate, the Committee will provide a report of each meeting of the Committee at the next regular Board meeting or as may otherwise be required by the Board.
13. **Review of Mandate, Terms of Reference and Self-Assessment** - The Committee shall review and assess its mandate and these Terms of Reference annually. The Committee shall review its effectiveness in fulfilling its mandate, as detailed through its terms of reference and work plan, annually.
14. **Work Plan** - The Committee shall establish and maintain an annual Work Plan.
15. **Independent Counsel or Other Advisors** - The Committee has the authority to engage outside advisors including, but not limited to counsel, independent consultants and/or other experts, as needed, to review any matter under its mandate.

B. Principal Duties and Responsibilities

1. **Mandate** - The Committee shall review, monitor and offer advice to the Board on Metrolinx's capital infrastructure activities including:
 - (a) The development, procurement, and implementation of major capital infrastructure projects and programs, including related resourcing and project delivery strategies and methodologies;
 - (b) Metrolinx's policies, practices and procedures regarding the delivery and management of major capital infrastructure projects and programs;
 - (c) Review and recommend Board approval, where warranted, of major capital infrastructure projects and programs business cases, procurements, contracts and transactions, including the settlement of any related disputes or other commercial matters;
 - (d) The monitoring of capital project progression and associated expenditure; and
 - (e) Risks relating to or arising from the foregoing as further described below.

In satisfying this role the Committee will analyze, evaluate and review relevant reports and draft documents related to the above; provide formal and informal feedback, guidance and recommendations to management and/or the Board; and report back to the Board.

2. **Risk Management** - In satisfying its mandate, and in keeping the responsibilities of the Audit, Finance and Risk Management Committee on enterprise risk management

("ERM") oversight, as contained in its respective Terms of Reference, the Committee will:

- (a) Ensure that it fully understands key risks related to the Committee's mandate as set out in these Terms of Reference to which the Corporation is exposed, the Corporation's ERM framework, and the policies, procedures and controls used by management to identify, monitor, assess and manage these risks;
 - (b) Ensure that key risks related to the achievement of the Corporation's major capital infrastructure programs and projects, including but not limited to strategy and plans, are identified and documented with mitigating strategies, and monitored in reaching proposed targets; and
 - (c) Review the enterprise risks relevant to the Corporation's capital project mandate on a quarterly basis to ensure that the Committee is apprised of the enterprise risks that exceed the risk appetite and whether management is responding to them.
- 3. Audit** - The Committee will receive quarterly audit and advisory reports from Audit, Regulatory Compliance and Control (ARCC), including recent work reported to the Audit, Finance, and Risk Management Committee, and other updates as required.

The Committee will provide input into audit scope and prioritization quarterly, and may request by the Chief Auditor (Vice President, ARCC) to consider additional audit coverage. The Chief Auditor will review these requests and include these items in the current or future audit plans, resources permitting.

Approved by the Board Chair, Committee Chair and Governance & Human Resources Committee Chair on February 25, 2026 pursuant to to the delegation of authority provided by the Metrolinx Board of Directors on February 12, 2026.