

**MELCO INTERNATIONAL DEVELOPMENT LIMITED**  
*(incorporated in Hong Kong with limited liability)*  
(Stock Code: 200)

**Terms of Reference of the Remuneration Committee**

**1. Constitution**

The Board of Directors (the “**Board**”) of the Company has established a Committee of the Board known as the Remuneration Committee pursuant to Article 124 of the Articles of Association of the Company

**2. Membership**

- 2.1 The Remuneration Committee shall consist of a minimum of three Directors, a majority of whom shall be Independent Non-executive Directors. The Chairman of the Remuneration Committee shall be an Independent Non-executive Director.
- 2.2 Members of the Remuneration Committee may only be appointed or removed by the Board.
- 2.3 The Chairman of the Remuneration Committee shall be appointed and removed by a decision of the Board.

**3. Quorum**

Unless otherwise agreed by all the members of the Remuneration Committee, two members of the Remuneration Committee shall be a quorum.

**4. Frequency of meetings**

The Remuneration Committee shall meet not less than once a year.

**5. Authority**

- 5.1 The Remuneration Committee is authorised to seek any information it requires from any employee or Director of the Company in order to perform its duties.
- 5.2 In connection with its duties, the Remuneration Committee is authorised to obtain advice from any person, including independent professional consultants, whom it regards as competent to give such advice.

**6. Duties and powers**

The Remuneration Committee is established with the following duties and powers:

- (a) to make recommendations to the Board on policies and structure for all remuneration of Directors and Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the Management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) either: (i) to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and Senior Management; or (ii) to make recommendations to the Board on the remuneration packages of individual Executive Directors and Senior Management. This should include benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment);
- (d) to determine the policy for the remuneration of Executive Directors, to assess performance of Executive Directors and to approve the terms of Executive Directors' service contracts;
- (e) to make recommendations to the Board on the remuneration of Non-Executive Directors;
- (f) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (g) to review and approve compensation payable to Executive Directors and Senior Management for any loss or termination of office or appointment, to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (h) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct, to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate;
- (i) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (j) to consult with the Chairman and/or Managing Director about their remuneration proposals for other Executive Directors;
- (k) to report to the Board in relation to the significant decisions and recommendations of the Remuneration Committee which ought properly to be brought to the attention of the full Board;

- (l) to make available the terms of reference of the Committee, explaining the Committee's role and authority delegated to it by the Board, by including them on The Stock Exchange of Hong Kong Limited's website and the Company's website;
- (m) to exercise such other powers, authorities and discretions, and perform such other duties, of the Directors in relation to the remuneration of the Executive Directors and Senior Management as the Directors may from time to time delegate to it, having regard to the Code of Corporate Governance Practices (the "**Code**") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"); and
- (n) in exercising its power, authorities and discretions and performing its duties, the Remuneration Committee shall take full account of the Code and the Listing Rules.

## **7. Resources**

The Remuneration Committee will be provided with sufficient resources to perform its duties.

*Note: For the purpose of these terms of reference, the term "Senior Management" refers to the same persons as are referred to in the Company's annual report and required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.*