



MGM CHINA HOLDINGS LIMITED  
美高梅中國控股有限公司

**MGM CHINA HOLDINGS LIMITED**  
the (“Company”)

**PROCEDURES FOR SELECTION AND APPOINTMENT OF DIRECTORS**

**1. PURPOSE**

Under principle A.4 of Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the Company should have a formal, considered and transparent procedure for the appointment of new directors.

The Nomination and Corporate Governance Committee and the board of the Company (the “**Board**”) will follow formal and transparent procedures set out below for the selection and appointment of new directors of the Company (the “**Directors**”) that will be implemented to enhance understanding and confidence in this process.

**2. BOARD COMPOSITION**

Rule 3.10(1) of the Listing Rules states that every board of directors of a listed issuer must include at least three independent non-executive directors. Rule 3.10A of the Listing Rules requires that an issuer must appoint independent non-executive directors representing at least one-third of the board. Under A.3 and A.5 of Appendix 14 of the Listing Rules, the board should have a balance of skills, experience and diversity of perspectives appropriate for the requirements of the issuer’s business. The board should include a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the board, which can effectively exercise independent judgement. Non-Executive directors should be of sufficient calibre and number for their views to carry weight.

The composition of the Board is regularly reviewed to ensure that the Board continues to have the mix of skills and experience necessary for the conduct of the Company's activities. The Nomination and the Corporate Governance Committee and the Board should take into account the provisions set out in the voting agreement applicable from time to time entered into among Ms Ho, Pansy Catilina Chiu King, Grand Paradise Macau Limited, MGM Resorts International and MGM Resorts International Holdings, Ltd. (the "**Voting Agreement**") when they review the composition of the Board. Candidates having particular experience in the various activities conducted by the Company may be considered.

The Board shall ensure that, collectively, it has the appropriate range and expertise to properly fulfil its responsibilities, including:

- accounting and finance;
- business development and risk management;
- industry and public company experience; and
- an appropriate ratio and skills matrix for Executive and Non-Executive Directors.

### **3. PROCEDURE**

A formal and transparent procedure for the selection and appointment of new directors to the Board helps enhance understanding and confidence in the process. The appointment of new members to the Board will be considered by the Nomination and Corporate Governance Committee.

- (a) Identification of potential Board candidates;
- (b) The Nomination and Corporate Governance Committee and each of the individual Directors are expected to be continually on the look out for candidates that they consider may be valuable members to the Board;
- (c) From time to time, the Nomination and Corporate Governance Committee may determine that there is a specific requirement for a Director with particular skills, and at this time external consultants may be engaged to identify potential candidates.

(d) Selection

In the circumstances where the Nomination and Corporate Governance Committee or the Board believe there is a need to appoint another Director, whether due to retirement of a Director or the growth or complexity of the Company's business, certain procedures have to be followed by the Nomination and Corporate Governance Committee, including:

- determining the skills and experience required from the candidate considering those of the existing Directors and any other likely changes made to the Board;
- agreeing the process and timetable for seeking such a person, which may involve engaging an external recruitment firm;
- preparing a short list of candidates.

The Nomination and Corporate Governance Committee and the Board will approach potential candidates and will discuss with them the role and responsibilities of being a Director and if they are interested in joining the Board. The potential candidates will also be informed of the terms and conditions of the appointment, including the level of corporate governance that is being upheld by the Company.

The Nomination and Corporate Governance Committee shall evaluate each candidate based on whether they will be able to make meaningful contributions to the Board's oversight of the business and affairs of the Company and pursuant to the following criteria:

- skills, competencies and qualifications;
- status under applicable independence requirements (e.g. serving more than nine years could be relevant to the determination of an Independent Non-Executive Director's independence and his further appointment should be subject to a separate resolution to be approved by the Company's shareholders);
- personal and professional ethics and integrity;
- business and professional experience in fields relevant to the Company's business (including whether that experience complements the expertise and experience of the other Directors);

- other directorships held in other listed companies (Hong Kong or overseas) (previously and currently) (e.g. Independent Non-Executive Directors sitting on multiple boards will need to ensure that they devote sufficient time to each Board and Board committees);
- ability to devote sufficient time to perform their duties as a Director;
- contribution to the overall balance of the composition of the Board;
- commitment to represent the interests of all shareholders of the Company, and
- contribution to the diversity of the Board, including gender, age, cultural and educational background or professional experience.

The process for evaluating a candidate may include, without limitation, any or all of the following steps:

- (i) review publicly available information about the candidate;
- (ii) request additional information (apart from his or her resume) from the candidate to have some understanding of his or her skills, experience and qualification;
- (iii) conduct interviews with the candidate; and
- (iv) contact the candidate's referees and/or other sources to obtain firsthand information about the candidate.

The full Board shall consider any appointment to the Board, subject to the Voting Agreement, the Articles of Associations of the Company and the Listing Rules.

(e) Appointment to the Board

If the candidate accepts an invitation to become a Director, the new Director is expected to sign a letter of appointment and all the necessary documents and forms and undertakings and declarations under the statutory and regulatory requirements. The Director will be provided with an induction package introducing the Company group's businesses, the statutory and regulatory obligations of a Director of a Hong Kong listed company and the relevant policies and procedures of the Company.

The Board will appoint the new Director during the year and that person will hold office only until the next following annual general meeting of the Company and shall then stand for re-election by shareholders at the next annual general meeting. Shareholders will be provided with relevant information on the candidates.

Following the appointment of a new Director to the Board, an announcement is to be published as soon as practicable pursuant to the Listing Rules requirements, including details of the new Director such as his/her full name and age, experience in other listed companies in Hong Kong or overseas, other major appointment and professional qualifications, the new Director's interests in shares of the Company (if applicable).

(f) Induction

To perform the duties effectively, new Directors will attend an induction programme and a director's training which enable them to gain an understanding of, amongst others:

- the Company's financial, strategic, operational and risk management position;
- their rights, duties and responsibilities under common law, statutory and regulatory requirements;
- the role of the respective Board committees, including the Audit Committee, the Nomination and Corporate Governance Committee and the Remuneration Committee.

#### **4. RESPONSIBILITY**

The Nomination and Corporate Governance Committee will primarily be responsible for complying with this procedure when carrying out its role to appoint new Directors to the Board. However, Directors are also expected to comply with this procedure and the ultimate responsibility for selection and appointment of Directors rests with the entire Board.