



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

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*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2282)

**TERMS OF REFERENCE OF  
NOMINATION AND CORPORATE GOVERNANCE COMMITTEE**

(Adopted by a Resolution of the Board passed on February 16, 2012 and amended on the Board of Directors Meeting on November 9, 2018)

**1. ESTABLISHMENT**

- 1.1 The Nomination and Corporate Governance Committee (the “**Committee**”) of MGM China Holdings Limited (the “**Company**”) is established by the board of directors of the Company (“**Board**”) to review on an annual basis the structure, size and composition of the Board, to recommend on matters in relation to appointments or re-appointments of directors of the Company (the “**Directors**”) and to review and, if appropriate, recommend to the Board changes to the Company’s corporate governance policies and procedures.
- 1.2 Subject to the regulations contained in the Companies Law (as amended) of the Cayman Islands, the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Articles of Association of the Company (“**Articles**”), the procedures of the Committee shall be regulated by the provisions set out in this Terms of Reference of Committee (the “**Terms of Reference**”).

**2. RESOURCES**

- 2.1 The Committee is provided with sufficient resources by the Company to perform its duties. Where necessary, upon reasonable request and under agreed procedures, the Committee should seek independent professional advice at the Company’s expense to perform its responsibilities.

### **3. COMPOSITION**

- 3.1 The Committee shall have at least three members who shall be appointed by the Board, the majority of whom must be Independent Non-Executive Directors of the Company.
- 3.2 The Chairman of the Committee shall be the Chairperson or Co-chairperson of the Board or an Independent Non-Executive Director nominated by the Board, unless if decided otherwise by the Board with founded reasons.

### **4. FUNCTIONS, POWERS AND DUTIES**

- 4.1 The Committee shall make recommendations to the Board on the appointment or re-appointment of Directors, and succession planning for Directors, in particular the Chairperson or Co-chairperson of the Board and the chief executive.
- 4.2 The Committee shall review the structure, size, composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the corporate strategies of the Company and its subsidiaries.
- 4.3 The Committee shall identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.
- 4.4 The Committee shall recommend Directors (including Independent Non-Executive Directors) who are to retire by rotation to be put forward for re-election at each annual general meeting of the Company, having regard to the Directors' contribution and performance (such as their attendance, preparedness, participation and candour).
- 4.5 In the case where the Board proposes a resolution to elect an individual as an Independent Non-Executive Director at the general meeting, the Company should set out in the circular to shareholders and/or explanatory statement accompanying the notice of relevant general meeting the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent; if the proposed Independent Non-Executive Director will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board; the perspectives, skills and experience that the individual can bring to the Board; and how the individual contributes to diversity of the Board.

- 4.6 Annually the Committee shall determine whether or not an Independent Non-Executive Director fulfils the tests of independence, by referring to the guidelines described in Rule 3.13 of the Listing Rules and other salient factors. To aid the determination by the Committee, every Independent Non-Executive Director shall, on appointment, and subsequently on an annual basis, submit to the Committee a return in the form as provided as by the Committee on his/her independence. The Committee shall review the return and decide whether such Director shall continue to be considered independent. Serving more than nine years could be relevant to the determination of a Non-Executive Director's independence. If an Independent Non-Executive Director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.
- 4.7 An Independent Non-Executive Director shall notify the Committee immediately, if, as a result of a change in circumstances, he or she no longer meets the criteria for independence. The Committee, after considering the change in circumstances, in the light of the Listing Rules and the Terms of Reference, may take such action as it seems fit to maintain the independent element on the Board.
- 4.8 If the Committee determines that an Independent Non-Executive Director who has failed one or more of the guidelines for assessing independence mentioned in Rule 3.13 of the Listing Rules or has served more than nine years is nevertheless independent, it shall disclose to the shareholders of the Company in full the nature of such Director's failure and shall be responsible for explaining why such Director should still be considered independent.
- 4.9 The Committee shall have due regard to the principles of good corporate governance and the Listing Rules in determining the board membership and the policy for the nomination of directors. Such nomination procedures and the process and criteria and any amendments thereof to select and recommend candidates for directorship shall be approved by the Board and disclosed in the Corporate Governance Report.
- 4.10 The Committee will determine the policy for the Company's corporate governance and duties performed by the Board or the Committee.
- 4.11 The Committee shall follow closely developments regarding corporate governance and related best practices and shall develop, review, assess the adequacy and oversee the implementation of the Company's policies and practices on corporate governance and make recommendations to the Board.

- 4.12 The Committee shall review and monitor the training and continuous professional development of directors and senior management.
- 4.13 The Committee shall review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- 4.14 The Committee shall develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- 4.15 The Committee shall review the Company's compliance with the code and disclosure in the Corporate Governance Report.

## **5. MEETINGS**

- 5.1 The Committee shall hold at least one meeting in each financial year of the Company to discharge its duties set forth in these Terms of Reference. The Chairman or the company secretary on the requisition of the Chairman shall at any time summon a meeting of the Committee.
- 5.2 Seven days' notice or such shorter notice as may be agreed by the Committee will be given by the company secretary, specifying the place, date, time and agenda of the meeting.
- 5.3 The Chairman of the Committee shall chair all the Committee meetings.
- 5.4 The quorum necessary for the transaction of business of Committee shall be two, at least one of them must be an Independent Non-Executive Director.
- 5.5 Attendance may be in person or through electronic means of communication or as may be determined by the Board from time to time.
- 5.6 When necessary, written resolutions are circulated to all Committee members for approval in between meetings. Such written resolutions signed by all Committee members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

- 5.7 Unless otherwise provided in these Terms of Reference, meetings and proceedings of the Committee shall be governed by the Company's Articles regulating the meetings and proceedings of Directors and committees.
- 5.8 Questions arising at any Committee meeting shall be determined by a majority of votes given that no Committee member shall vote on any recommendation on his/her re-appointment.
- 5.9 The Chairman (or in his/her absence, an alternative member) of the Committee shall attend the annual general meetings of the Company and be prepared to answer questions concerning the appointment of any Director.
- 5.10 The company secretary shall minute the proceedings and resolutions of all meetings as well as keep appropriate records. Any minutes signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts stated therein. Draft and final versions of minutes of all meetings shall be circulated to all the Committee members for their comment and records within a reasonable time after the meeting and to other Director(s) who is / are not member(s) of the Committee for inspection.

## **6. REPORTING RESPONSIBILITIES, MINUTES AND RECORDS**

- 6.1 The Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report to the Board on the findings and recommendations of the Committee.
- 6.2 Reports to the Board and minutes of the Committee should be formally approved by the Committee before reporting to the Board. The company secretary shall circulate the minutes of Committee meetings and reports of the Committee to all members of the Board.
- 6.3 Minutes of the Committee meetings shall record in sufficient detail the matters considered by the Committee and decision reached, including any concerns raised by the Committee members or dissenting views.

- 6.4 Full minutes of the Committee meetings should be kept by the company secretary. Draft and final version of the minutes of the Committee should be sent to all Committee members for their comment and records within a reasonable time after the meeting; and
- 6.5 Any Committee member may inspect the minutes of the Committee meetings at any reasonable time on any reasonable notice.

## **7. PUBLICATION OF THE TERMS OF REFERENCE**

- 7.1 The terms of reference will be posted on the websites of the Company and the Stock Exchange.