

**Macau Property Opportunities Fund Limited (“MPO”)  
Nomination and Remuneration Committee  
Terms of Reference**

**1. Membership**

- 1.1 The committee shall comprise at least three directors. A majority of the members of the committee shall be independent non-executive directors.
- 1.2 Only members of the committee have the right to attend committee meetings. However, other individuals such as external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3 Appointments to the committee are made by the board and shall be for a period of up to three years, which may be extended for further periods of up to three-years, provided the director still meets the criteria for membership of the committee.
- 1.4 The board shall appoint the committee chairman who should be an independent non-executive director. In the absence of the committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the board.
- 1.5 Non-executive directors who are not independent, will not participate in consideration of remuneration related topics, in particular items 8.19, 8.20 and 8.21 of these terms of reference.
- 1.6 The members of the committee for the time being shall be:-  
Alan Clifton (Chairman)  
Wilfred Woo  
Chris Russell  
Tom Ashworth

**2. Secretary**

The company secretary or his/her nominee shall act as the secretary of the committee.

**3. Quorum**

The quorum necessary for the transaction of business shall be two both of whom must be independent non-executive directors. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee. Members may attend meetings of the committee by telephone but not from the UK.

**4. Frequency of meetings**

The committee shall meet at least once a year and otherwise as required.

**5. Notice of meetings**

- 5.1 Meetings of the committee shall be called by the secretary of the committee at the request of the committee chairman.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

## **6. Minutes of meetings**

- 6.1 The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes should be circulated to all other members of the board unless it would be inappropriate to do so.

## **7. Annual General Meeting**

A representative of the committee should attend the annual general meeting to answer any shareholder questions on the committee's activities.

## **8. Duties**

The committee should carry out the duties below:-

In respect of the Nomination role the committee shall:

- 8.1 regularly review the structure, size and composition (including the skills, knowledge, experience, diversity and length of service, bearing in mind the further continuation vote due by the end of 2016) of the board and make recommendations to the board with regard to any changes.
- 8.2 give full consideration to succession planning for directors, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future.
- 8.3 keep under review the leadership needs of the company with a view to ensuring the continued ability of the company to compete effectively in the marketplace.
- 8.4 keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates.
- 8.5 be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise.
- 8.6 before any appointment is made by the board, evaluate the balance of skills, knowledge, experience and diversity on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the committee shall:
  - 8.6.1 Consider the use of open advertising or the services of external advisers to facilitate the search, having regard to their cost and effectiveness.
  - 8.6.2 consider candidates from a wide range of backgrounds.
  - 8.6.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position. When considering a new appointment the proposed new non-executive director's other commitments should be taken into account to ensure he or she has sufficient time to devote to the company.
- 8.7 for the appointment of a chairman, the committee should prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the board before appointment and any changes to the chairman's commitments should be reported to the board as they arise.
- 8.8 prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.
- 8.9 ensure that on appointment to the board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.
- 8.10 review the results of the board performance evaluation process that relate to the composition of

the board.

- 8.11 review annually the time required from non-executive directors and if sufficient time is being spent to fulfil their duties.

The committee shall also make recommendations to the board concerning:

- 8.12 formulating plans for succession of non-executive directors and in particular for the key roles of chairman.
- 8.13 suitable candidates for the role of senior independent director, if considered appropriate. The MPO board had previously deemed that this position was not required given the small size of the board.
- 8.14 membership of the audit committee, and any other board committees as appropriate, in consultation with the chairmen of those committees.
- 8.15 the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required.
- 8.16 the re-election by shareholders of directors under the annual re-election provisions or the retirement by rotation provisions in the company's articles of association, having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the board (particularly in relation to directors being re-elected for a term beyond six years).
- 8.17 any matters relating to the continuation in office of any director at any time.
- 8.18 the appointment of any director to executive or other office.

In respect of the Remuneration role the committee shall:

- 8.19 determine and agree with the board the remuneration of the company's chairman, and non-executive directors. No director shall be involved in any decisions as to their own remuneration.
- 8.20. in determining such remuneration, take into account all factors which it deems necessary including any relevant legal requirements, the provisions and recommendations in the AIC Code of Corporate Governance and the UK Listing Authority's Listing Rules and associated guidance
- 8.21 obtain reliable, up-to-date information about remuneration in other comparable companies.

## **9. Reporting responsibilities**

- 9.1 The committee chairman shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The committee shall produce a report to be included in the company's annual report about its nomination activities, the process used to make appointments and explain if external advice or open advertising has not been used.
- 9.4 The committee shall produce an annual report of the company's remuneration policy and practices which will form part of the company's annual report.

## **10. Other matters**

The committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required.
- 10.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 10.3 give due consideration to laws and regulations, the provisions of the AIC Code of Corporate Governance and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate.
- 10.4 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

## **11. Authority**

The committee is authorised by the board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.