

**TERMS OF REFERENCE FOR THE MACAU PROPERTY OPPORTUNITIES FUND LIMITED (the “Company”)  
MANAGEMENT ENGAGEMENT COMMITTEE**

**1. Establishment and Purpose**

- 1.1 The Board established a committee of the Board to be known as the Management Engagement Committee (the “**Committee**”) at its meeting on 25 February 2013. The principal function of the Committee is to review annually the terms of the Investment Management Agreement between the Company and Sniper Capital Limited (the “**Manager**”). Additionally, the Committee may review annually the performance and terms of engagement of any other Key Service Providers to the Company, as detailed in Appendix 1, as considered appropriate.
- 1.2 For the avoidance of doubt, the Committee will not review the performance of the Auditor which is a matter for consideration by the Audit Committee.

**2. Membership and Quorum**

- 2.1 The Committee shall be appointed by the Board from amongst the directors who are independent of the Manager and shall consist of not less than three members. A quorum shall be two members. Members may attend meetings of the Committee by telephone but not from the UK.
- 2.2 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.
- 2.3 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.
- 2.4 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.
- 2.5 The membership of the Committee may be amended from time to time by the Board.
- 2.6 The members of the Committee for the time being shall be:  
Alan Clifton (Committee Chairman)  
Chris Russell  
Wilfred Woo

**3. Meetings**

- 3.1 At least one meeting shall be held each year and at such other times as required by the Board. Any Committee member or the secretary may call a meeting.
- 3.2 The company secretary shall be the secretary of the Committee.
- 3.3 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.

#### **4. Minutes of Meetings**

- 4.1 The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 4.2 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.

#### **5. Annual General Meeting**

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

#### **6. Authority**

- 6.1 The Committee is authorised by the Board to investigate and review any matter within its terms of reference and to consider any matter the Committee deems relevant to the discharge of its duties.
- 6.2 The Committee is authorised by the Board to obtain legal or other independent professional advice in relation to the Management Agreement relating to the engagement of the Manager and any other key service providers to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

#### **7. Duties**

- 7.1 The duties of the Committee shall be to:
  - (a) Review the terms of the Management Agreement, as well as any other key service providers, their remuneration, and satisfy itself that they are competitive and sensible for the Company and its shareholders;
  - (b) propose any changes to the terms of the Management Agreement, or that of any other key service provider agreement that it considers necessary and desirable as a result of its review;
  - (c) review the fees payable to the Investment Manager to ensure that it does not encourage excessive risk and that it rewards demonstrable superior performance;
  - (d) review the overall performance of the Manager and other key service providers;
  - (e) satisfy itself that the duties of the parties as set out in the relevant agreements are being performed as required;
  - (f) consider any changes proposed by the parties to the terms of the relevant agreements and to review, at the intervals provided for in the agreements, the amount and terms of payment of the parties' remuneration;
  - (g) consider any specific matters relating to the engagement of the parties which the Board may request;
  - (h) report to the Board on its conclusions and to make recommendations in respect of any matters within its remit; and

- (i) ensure that service providers are not operating conflicts of interest in accordance with Authorised Closed Ended Investment Scheme Rules 2008 Section 3.

7.2 Amendments may be made to the duties of the Committee by the Board from time to time.

## **8. Reporting Procedures**

8.1 The Committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

8.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

8.3 The Committee shall produce a report to be included in the company's annual report about its activities.

## **9. Other Matters**

The Committee Shall:

9.1 have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;

9.2 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; and

9.3 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.

## Appendix 1

### Key Service Providers to Macau Property Opportunities Fund Limited

Administrator and Company Secretary	Heritage International Fund Managers Limited
Administrator – Macau and Hong Kong	Adept Capital Partners Services Limited
Advocates to the Group as to Guernsey Law	Carey Olsen
Bankers (principal)	The Royal Bank of Scotland International Limited
Corporate Broker	Liberum Capital Limited
Investment Adviser	Sniper Capital (Macau) Limited
Registrar	Capita Registrars (Guernsey) Limited
Solicitors to the Group as to English Law	Norton Rose LLP