
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Melco International Development Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website: www.melco-group.com

(Stock Code: 200)

NOTICE OF ANNUAL GENERAL MEETING

AND

PROPOSALS FOR (1) RE-ELECTION OF MELCO DIRECTORS, (2) GRANT OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES TO THE MELCO DIRECTORS AND (3) ADOPTION OF THE 2021 MRE SHARE INCENTIVE PLAN AND TERMINATION OF THE 2011 MRE SHARE INCENTIVE PLAN BY A SUBSIDIARY – MELCO RESORTS & ENTERTAINMENT LIMITED

A notice convening the annual general meeting (“AGM” or “Annual General Meeting”) of Melco International Development Limited (the “Company”) to be held at Rooms 1501-02, 15th Floor, Hong Kong Club Building, 3A Chater Road, Central, Hong Kong on 4 June 2021, Friday at 10:00 a.m. is set out on pages 15 to 20 of this circular. A form of proxy for use at the AGM is enclosed with this circular. Please complete and sign the form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM (i.e. not later than 10:00 a.m. on 2 June 2021) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you subsequently so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of the Melco Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the AGM:

- (1) Compulsory body temperature checks;
- (2) Submission of health declaration form;
- (3) Wearing of surgical face mask;
- (4) The Company may limit the number of attendees as may be necessary to avoid over-crowding; and
- (5) No distribution of gifts and no provision of refreshments.

Attendees who do not comply with the precautionary measures (1) to (3) above may be denied entry to the AGM venue, at the absolute discretion of the Company as permitted by law.

There will be no distribution of gifts and no provision of refreshments at the AGM. All sums earmarked for such purposes have been donated to The Community Chest of Hong Kong to support the elderly who were affected by COVID-19 in Hong Kong.

The Company would like to encourage the Melco Shareholders to appoint the chairman of the AGM as his/her proxy to vote on the resolutions and to return his/her form of proxy by the time specified above, instead of attending the AGM in person.

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“2011 MRE Share Incentive Plan”	a share incentive plan as adopted and revised by MRE on 7 December 2011, 3 July 2015 and 9 December 2016, respectively
“2021 MRE Share Incentive Plan”	the 2021 share incentive plan of MRE, the principal terms of which are summarized in Appendix IV to this circular
“ADSs”	American depositary shares of MRE, each representing 3 MRE shares
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Rooms 1501-02, 15th Floor, Hong Kong Club Building, 3A Chater Road, Central, Hong Kong on 4 June 2021, Friday at 10:00 a.m., or any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“CG Code”	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Company”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance whose shares are listed on the Stock Exchange
“Conditions”	has the meaning given to it under the section headed “5. Adoption of the 2021 MRE Share Incentive Plan and Termination of the 2011 MRE Share Incentive Plan by MRE — The 2021 MRE Share Incentive Plan” in the Letter from the Melco Board in this circular
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules

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“Effective Date”	has the meaning given to it under the section headed “5. Adoption of the 2021 MRE Share Incentive Plan and Termination of the 2011 MRE Share Incentive Plan by MRE — The 2021 MRE Share Incentive Plan” in the Letter from the Melco Board in this circular
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“inside information”	has the meaning ascribed to it under the Listing Rules
“Issue Mandate”	shall have the meaning given to such term in Paragraph 4 of this circular
“Latest Practicable Date”	28 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Melco Approval Date”	the date on which the resolution of the Melco Shareholders approving the proposed adoption of the 2021 MRE Share Incentive Plan by MRE is passed
“Melco Board”	the board of Melco Directors
“Melco Director(s)”	the director(s) of the Company
“Melco Share(s)”	the ordinary share(s) of the Company
“Melco Shareholder(s)”	holder(s) of Melco Share(s)
“MRE”	Melco Resorts & Entertainment Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability, with its ADSs listed on the Nasdaq Global Select Market
“MRE 2006 SIP”	a share incentive plan adopted by MRE, as amended, as approved by the shareholders of MRE on 1 December 2006 and 19 May 2009

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“MRE Award”	an award that may be granted to a MRE Participant pursuant to the 2021 MRE Share Incentive Plan, which may take the form of options, restricted shares, share appreciation rights, dividend equivalents, share payments, deferred shares and/or restricted share units
“MRE Award Agreement”	a written agreement, contract or other instrument or document evidencing a MRE Award, including through electronic medium
“MRE Board”	the board of directors of MRE
“MRE Compensation Committee”	the Compensation Committee of the MRE Board, or another committee or subcommittee of the MRE Board which is appointed as provided in the 2021 MRE Share Incentive Plan
“MRE Exercise Price”	the exercise price of an exercisable MRE Award per MRE Share
“MRE Fair Market Value”	<p>the value of the MRE Shares as of a given date, determined as follows:</p> <p>(a) if the MRE Shares are listed on one or more established national securities exchanges or national market systems, including without limitation, the Nasdaq Global Select or Nasdaq Global Market, the MRE Fair Market Value shall be the closing sales price for the MRE Shares (or the closing bid, if no sales were reported) as quoted on such exchange or system with the greatest source of trading volume (as determined by the MRE Compensation Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in a source the MRE Compensation Committee deems reliable; or</p>

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	<p>(b) if the MRE Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, the MRE Fair Market Value shall be the closing sales price for the MRE Shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the MRE Fair Market Value shall be the mean between the high bid and low asked prices for the MRE Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported by the quotation system or recognized securities dealer or another source the MRE Compensation Committee deems reliable; or</p> <p>(c) in the absence of an established market for MRE Shares described in (a) and (b), above, the MRE Fair Market Value shall be determined by the MRE Compensation Committee in good faith by reference to the placing price of the latest private placement of MRE Shares and the development of MRE's business operations and the general economic and market conditions since such latest private placement and, if applicable, in a manner that complies with Sections 409A and 422 of the US Internal Revenue Code</p>
"MRE Participant"	a person who has been granted a MRE Award pursuant to the 2021 MRE Share Incentive Plan
"MRE Share(s)"	ordinary share(s) of US\$0.01 in the share capital of MRE (including ordinary shares underlying ADSs)
"Repurchase Mandate"	shall have the meaning given to such term in Paragraph 4 of this circular
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Share Purchase Scheme"	the existing share purchase scheme of the Company adopted on 18 October 2007, as amended from time to time
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	Code on Takeovers and Mergers
"%"	per cent.

LETTER FROM THE MELCO BOARD



Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website: www.melco-group.com

(Stock Code: 200)

Executive Directors:

Mr. Ho, Lawrence Yau Lung

(Chairman and Chief Executive Officer)

Mr. Evan Andrew Winkler

(President and Managing Director)

Mr. Chung Yuk Man, Clarence

Registered office:

38th Floor, The Centrium

60 Wyndham Street

Central

Hong Kong

Non-executive Director:

Mr. Ng Ching Wo

Independent Non-executive Directors:

Mr. John William Crawford

Mr. Tsui Che Yin, Frank

Ms. Karuna Evelyne Shinsho

5 May 2021

To the Melco Shareholders

Dear Sir or Madam,

NOTICE OF ANNUAL GENERAL MEETING AND

PROPOSALS FOR (1) RE-ELECTION OF MELCO DIRECTORS, (2) GRANT OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES TO THE MELCO DIRECTORS AND (3) ADOPTION OF THE 2021 MRE SHARE INCENTIVE PLAN AND TERMINATION OF THE 2011 MRE SHARE INCENTIVE PLAN BY A SUBSIDIARY – MELCO RESORTS & ENTERTAINMENT LIMITED

1. INTRODUCTION

The purpose of this circular is to give you notice of the AGM and provide you with information regarding certain resolutions to be proposed at the AGM, in particular, the proposed resolutions to approve (i) the re-election of Melco Directors, (ii) the grant to the Melco Directors the Issue Mandate and the Repurchase Mandate and (iii) the proposed adoption of the 2021 MRE Share Incentive Plan by MRE, to enable you to make an informed decision on whether to vote for or against those resolutions.

LETTER FROM THE MELCO BOARD

2. ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Rooms 1501-02, 15th Floor, Hong Kong Club Building, 3A Chater Road, Central, Hong Kong on 4 June 2021, Friday at 10:00 a.m. is set out in Appendix I to this circular. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the proposed resolutions will be voted on by way of poll at the AGM. An announcement of the poll results will be made by the Company after the AGM in the manner prescribed by Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the AGM is enclosed with this circular. You are requested to complete the form of proxy and return it in accordance with the instructions printed thereon to the Company's share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting (i.e. not later than 10:00 a.m. on 2 June 2021), or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you subsequently so wish.

To safeguard the health and safety of the Melco Shareholders and to prevent the spreading of the COVID-19 pandemic, the Company would like to encourage the Melco Shareholders to appoint the chairman of the AGM as his/her proxy to vote on the resolutions and to return his/her form of proxy by the time specified above, instead of attending the AGM in person.

For those non-registered holders whose shares are held in the Central Clearing and Settlement System, they are strongly encouraged to vote through HKSCC Nominees Limited by giving instructions to their brokers or custodians.

3. RE-ELECTION OF MELCO DIRECTORS

The Melco Board currently consists of seven Melco Directors including three Executive Directors, namely, Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Evan Andrew Winkler (President and Managing Director) and Mr. Chung Yuk Man, Clarence; one Non-executive Director, namely, Mr. Ng Ching Wo and three Independent Non-executive Directors, namely, Mr. John William Crawford, Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho.

In accordance with Article 98(A) of the Articles of Association, Mr. Evan Andrew Winkler, Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho, being Melco Directors longest in office since their last election, shall retire from office by rotation at the AGM and are eligible to offer themselves for re-election.

LETTER FROM THE MELCO BOARD

Pursuant to Paragraph A.4.3 of the CG Code, re-election of an independent non-executive director who has served the board for more than nine years will be subject to a separate resolution to be approved by shareholders. Mr. Tsui Che Yin, Frank, an Independent Non-executive Director of the Company, after having taken into account the period he served as an Executive Director of the Company for 15 years, has served the Melco Board for more than 19 years. Mr. Tsui has satisfied all the criteria for independence set out in Rule 3.13 of the Listing Rules. In view of this and in view of the fact that Mr. Tsui is a very seasoned and experienced director, the Melco Board considers Mr. Tsui has the necessary character, integrity and experience to remain independent notwithstanding his long length of service and will continue to bring invaluable independent advice and perspectives to the Company and its business. The Melco Board therefore recommends Mr. Tsui to be re-elected as Independent Non-executive Director of the Company at the AGM. A separate resolution for his re-election will be proposed for approval by the Melco Shareholders at the AGM.

Process for Nomination of Melco Directors

The Company adopted a nomination policy which sets out the criteria and process for the nomination and appointment of Melco Directors. The criteria to select candidates for directorship include the candidates' age, skills, competence, experience, expertise, professional and educational qualifications, background and personal qualities, whether the candidate can devote sufficient time and commitment to carry out his/her duties, any potential conflict of interests of the candidate, independence of the candidate (for appointment of Independent Non-executive Directors of the Company only) and other factors as the Nomination Committee considers appropriate in assessing the candidate. Nominations of new Melco Directors will be made by the Nomination Committee and are subject to the Melco Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidates.

Recommendation of the Nomination Committee

On 30 March 2021, the Nomination Committee, having reviewed the Melco Board's composition, recommended Mr. Evan Andrew Winkler, Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho, who have been longest in office since their last election to the Melco Shareholders for re-election at the AGM. The nominations were made in accordance with the nomination policy and the objective criteria (including without limitation, experience, skills and professional and educational qualifications), and with due regard to the board diversity policy of the Company. All the above retiring Melco Directors have shown devotion and commitment to the Melco Board by their attendance to the Melco Board and relevant Melco Board committee meetings during their tenure.

Regarding the proposal for re-election of Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho as Independent Non-executive Directors of the Company, the Nomination Committee has considered Mr. Tsui's and Ms. Shinsho's qualification, skills, experience and various diversity aspects as set out in the board diversity policy of the Company and is of the view that Mr. Tsui and Ms. Shinsho will be able to continue to contribute to the Melco Board with their perspectives, skills and experience.

LETTER FROM THE MELCO BOARD

In addition, each of Mr. Tsui and Ms. Shinsho has made an annual confirmation of independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules to the Company.

The Melco Board, having considered the recommendation of the Nomination Committee, is of the view that each of the retiring Melco Directors has the required character, integrity and experience to continue fulfilling the role of a Melco Director. Therefore, re-election of the retiring Melco Directors be recommended for approval by the Melco Shareholders at the AGM.

Brief biographical details of the retiring Melco Directors proposed for re-election at the AGM are set out in Appendix II to this circular.

4. GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES TO THE MELCO DIRECTORS

The resolution set out in item 4 of the notice of the AGM, if passed, will give the Melco Directors a general and unconditional mandate to exercise the powers of the Company to repurchase Melco Shares up to 10% of the number of issued Melco Shares at the date of passing the resolution (the “**Repurchase Mandate**”) before the Company’s next annual general meeting. A statement explaining the Repurchase Mandate in accordance with the Listing Rules is set out in Appendix III to this circular. The Melco Directors confirm that, as at the Latest Practicable Date, there is no plan for any repurchase of Melco Shares pursuant to the Repurchase Mandate.

At the AGM, the resolution set out in item 5 of the notice of the AGM will be proposed which, if passed, will give the Melco Directors a general mandate to issue Melco Shares and grant rights to subscribe for and convert securities into Melco Shares, before the Company’s next annual general meeting, up to (i) 20% of the number of issued Melco Shares at the date of passing the resolution (based on the total number of Melco Shares in issue as at the Latest Practicable Date, being 1,516,142,755 Melco Shares, the mandate would give the Melco Directors power to issue up to 303,228,551 Melco Shares) and (ii) the number of Melco Shares repurchased by the Company subsequent to the passing of the resolution in respect of the Repurchase Mandate (the “**Issue Mandate**”). The Melco Directors confirm that, as at the Latest Practicable Date, there is no plan for any issue of Melco Shares pursuant to the Issue Mandate.

The Issue Mandate and the Repurchase Mandate will continue to be in force from the passing of the said resolutions until whichever of the following first occurs:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Companies Ordinance to be held; or
- (iii) the revocation or variation of the authority given under such ordinary resolutions by an ordinary resolution or ordinary resolutions of the Melco Shareholders in general meeting.

LETTER FROM THE MELCO BOARD

5. ADOPTION OF THE 2021 MRE SHARE INCENTIVE PLAN AND TERMINATION OF THE 2011 MRE SHARE INCENTIVE PLAN BY MRE

The 2011 MRE Share Incentive Plan

The 2011 MRE Share Incentive Plan was adopted and revised by MRE on 7 December 2011, 3 July 2015 and 9 December 2016. The 2011 MRE Share Incentive Plan has a term of 10 years and will expire on 7 December 2021.

Proposed Adoption of the 2021 MRE Share Incentive Plan by MRE

In view of the impending expiry of the 2011 MRE Share Incentive Plan, MRE proposes to adopt the 2021 MRE Share Incentive Plan to enable MRE to continue to grant awards to eligible participants as incentive for their contributions to the success of MRE.

As at the Latest Practicable Date, the Company indirectly held 812,729,781 MRE Shares, representing approximately 55.80% of the number of issued MRE Shares. As MRE is a subsidiary of the Company under the Listing Rules, the 2021 MRE Share Incentive Plan constitutes a share option scheme governed by Chapter 17 of the Listing Rules and the implementation of the 2021 MRE Share Incentive Plan is subject to the approval of the Melco Shareholders in accordance with Rule 17.02(1)(a) of the Listing Rules. The Melco Board proposes to recommend to the Melco Shareholders at the AGM to approve the adoption of the 2021 MRE Share Incentive Plan by MRE.

Termination of the 2011 MRE Share Incentive Plan

Under the terms of the 2011 MRE Share Incentive Plan, with the approval of the MRE Board, the MRE Compensation Committee may at any time terminate the 2011 MRE Share Incentive Plan, provided that such date of termination of the 2011 MRE Share Incentive Plan determined by the MRE Compensation Committee shall not be later than the Effective Date.

Upon the termination of the 2011 MRE Share Incentive Plan, no further options may be granted pursuant to the 2011 MRE Share Incentive Plan but the provisions of the 2011 MRE Share Incentive Plan shall remain in full force and effect in all other respects in respect of any options granted prior to the date of termination of the 2011 MRE Share Incentive Plan but not yet exercised at the time of termination.

LETTER FROM THE MELCO BOARD

The 2021 MRE Share Incentive Plan

At the AGM, an ordinary resolution will be proposed for the Melco Shareholders to approve the proposed adoption of the 2021 MRE Share Incentive Plan by MRE. A summary of the principal terms of the 2021 MRE Share Incentive Plan which is proposed to be approved by the Melco Shareholders at the AGM is set out in Appendix IV to this circular on pages 29 to 35.

MRE has one other share incentive plan, namely the MRE 2006 SIP. No additional awards may be granted under the MRE 2006 SIP after 7 December 2011, being the effective date of the 2011 MRE Share Incentive Plan. As at the Latest Practicable Date, there were no awards that remained outstanding under the MRE 2006 SIP.

MRE Shares distributed pursuant to a MRE Award may consist, in whole or in part, of authorized but unissued newly issued MRE Shares, treasury shares or MRE Shares that have already been issued and purchased on the open market. Additionally, in the discretion of the MRE Compensation Committee, ADSs in an amount equal to the number of MRE Shares which otherwise would be distributed pursuant to a MRE Award may be distributed in lieu of MRE Shares in settlement of any MRE Award.

The terms of grant of any MRE Award under the 2021 MRE Share Incentive Plan will be determined by the MRE Compensation Committee in its discretion, including, for options, the period within which MRE Shares must be taken up under the options (provided that the term of any option granted under the 2021 MRE Share Incentive Plan shall not exceed 10 years), the minimum period, if any, for which the options must be held before they can be exercised, the conditions, if any, that must be satisfied before all or part of the options may be exercised, and the amount, if any, payable on acceptance of the options. The 2021 MRE Share Incentive Plan does not specify any minimum term for which options must be held before they can be exercised or any performance target before which options can be exercised. The Melco Directors consider that the terms of the 2021 MRE Share Incentive Plan will serve to encourage MRE Participants to participate in the 2021 MRE Share Incentive Plan.

No offer of any options under the 2021 MRE Share Incentive Plan shall be made after inside information of the Company has come to the knowledge of MRE, until such information has been announced by the Company pursuant to the requirements of the Listing Rules or has ceased to be inside information of the Company. In particular, no MRE option may be granted during the period commencing one month immediately before the earlier of:

- (1) the date of the meeting of the Melco Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (2) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of announcement of such results. The period during which no option may be granted will cover any period of delay in publishing a results announcement.

LETTER FROM THE MELCO BOARD

Where an option is to be granted to a Melco Director, or chief executive or substantial shareholder of the Company, or any of their respective associates, the grant shall not be valid unless it has been approved by Independent Non-executive Directors of the Company, excluding any Independent Non-executive Director of the Company who is also a proposed grantee of the option. Where an option is to be granted to a substantial shareholder of the Company or an Independent Non-executive Director of the Company or any of their respective associates, and the grant will, in the 12-month period up to and including the date of such grant, result in the number and value of the MRE Shares issued and to be issued upon exercise of all options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the relevant grantee (i) representing in aggregate over 0.1% of the total number of MRE Shares in issue at the relevant time of grant, and (ii) in the event that the MRE Shares are listed on the Stock Exchange, having an aggregate value in excess of HK\$5 million, based on the closing price of the MRE Shares on the Stock Exchange at the date of each grant, such grant shall not be valid unless:

- (1) a circular containing the details of the grant has been despatched to the Melco Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must contain (a) details of the number and terms of the options (including the exercise price and other information required under Rules 17.03(5) to 17.03(10)) to be granted to each MRE Participant, which must be fixed before the Melco Shareholders' meeting, and the date of board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the exercise price; (b) a recommendation from the Independent Non-executive Directors of the Company (excluding an Independent Non-executive Director who is also a proposed grantee of the options) to the independent Melco Shareholders as to voting; (c) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4); and (d) the information required under Rule 2.17; and
- (2) the grant has been approved by the Melco Shareholders in general meeting (taken on a poll), at which the proposed grantee, his associates, and all core connected persons of the Company abstained from voting in favour.

The maximum aggregate number of MRE Shares which may be issued pursuant to all MRE Awards under the 2021 MRE Share Incentive Plan and any other share incentive plan or other schemes of MRE shall not be more than 10% of the total number of issued MRE Shares as at the Melco Approval Date (the “**Option Limit**”). In addition, under the Listing Rules, the total number of new MRE Shares which may be issued on exercise of all options granted under 2021 MRE Share Incentive Plan must not in aggregate exceed the Option Limit, unless the Company obtains a separate approval from the Melco Shareholders to refresh the Option Limit. The Option Limit may be refreshed by an ordinary resolution of the Melco Shareholders, provided that:

- (1) the Option Limit so refreshed (the “**New Option Limit**”) shall not exceed 10% of the total number of MRE Shares in issue as at the date of the Melco Shareholders' approval of the refreshing of the Option Limit;

LETTER FROM THE MELCO BOARD

- (2) options previously granted under the 2021 MRE Share Incentive Plan and any other share incentive plan or other schemes of MRE (including the 2011 MRE Share Incentive Plan) (including options outstanding, cancelled, or lapsed in accordance with the relevant rules or exercised options) shall not be counted for the purpose of calculating the New Option Limit; and
- (3) a circular regarding the proposed refreshing of the Option Limit has been despatched to Melco Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time.

If MRE conducts a share consolidation or subdivision after the Option Limit or the 10% limit as renewed (the “**New Option Limit**”) (as the case may be) has been approved by the Melco Shareholders in accordance with the Listing Rules, the maximum number of MRE Shares which may be issued upon exercise of all options to be granted under the 2021 MRE Share Incentive Plan (and any other option schemes of MRE) under the Option Limit or New Option Limit (as the case may be) so approved, as a percentage of the total number of issued MRE Shares at the date immediately before and after such consolidation or subdivision, shall be the same. Such adjustment shall take effect automatically under the terms of the 2021 MRE Share Incentive Plan. Additionally, under the Listing Rules, the maximum number of new MRE Shares which may be issued on exercise of all options granted under the 2021 MRE Share Incentive Plan together with any options granted under any other share incentive plan or other schemes of MRE (including the MRE 2006 SIP) shall not exceed 30% of the total number of issued MRE Shares from time to time. As at the Latest Practicable Date, there were 1,456,547,942 MRE Shares in issue. Assuming that no further MRE Shares will be allotted, issued or repurchased prior to the AGM, and without prejudice to the overall limit on the maximum number of 436,964,382 MRE Shares which may be issued pursuant to all MRE Awards, under the Listing Rules, the maximum number of new MRE Shares which may be issued on exercise of all options granted under the 2021 MRE Share Incentive Plan and any other share incentive plan or other schemes of MRE on the Melco Approval Date would be 145,654,794 MRE Shares, representing 10% of the total number of MRE Shares in issue.

As at the Latest Practicable Date, MRE Awards have been granted under the 2011 MRE Share Incentive Plan in respect of 74,686,680 MRE Shares, comprising options in respect of an aggregate of 43,849,002 MRE Shares (representing approximately 3.01% of the number of issued MRE Shares as at the Latest Practicable Date). MRE Awards granted under the 2011 MRE Share Incentive Plan comprised exercised, cancelled or lapsed options in respect of 11,582,886 MRE Shares. The remaining MRE Awards granted under the 2011 MRE Share Incentive Plan in respect of 25,313,320 MRE Shares (representing approximately 1.74% of the number of issued MRE Shares as at the Latest Practicable Date), comprised options granted and remained unexercised or outstanding in respect of aggregate of 32,266,116 MRE Shares (representing approximately 2.22% of the number of issued MRE Shares as at the Latest Practicable Date). There are no options granted and remained unexercised or outstanding under the MRE 2006 SIP. Accordingly, as at the Latest Practicable Date, there were a total of 32,266,116 options granted and remained unexercised or outstanding under the 2011 MRE Share Incentive Plan and the MRE 2006 SIP, of which the holders were entitled to subscribe for a total of 32,266,116 MRE Shares (representing approximately 2.22% of the number of issued MRE Shares as at the Latest Practicable Date).

LETTER FROM THE MELCO BOARD

The Melco Board considers that it is not appropriate to state the value of all options over new MRE Shares that can be granted pursuant to the 2021 MRE Share Incentive Plan as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of such values have not been determined. Such variables include but are not limited to the exercise price, exercise period, lock-up period (if any). The Melco Directors believe that any calculation of the value of the options over new MRE Shares that can be granted pursuant to the 2021 MRE Share Incentive Plan as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Melco Shareholders.

Save as disclosed in this Letter from the Melco Board or Appendix IV to this circular and save for changes made to reflect amendments made to the Listing Rules, there is no material difference between the provisions of the 2011 MRE Share Incentive Plan and the 2021 MRE Share Incentive Plan that relate to options.

The 2021 MRE Share Incentive Plan shall be effective as of a date specified by the MRE Compensation Committee as the effective date for the 2021 MRE Share Incentive Plan (the “**Effective Date**”), which shall be a date following the fulfilment of the Conditions (as defined below) and not later than 7 December 2021 (being the expiration date of the 2011 MRE Share Incentive Plan). Adoption of the 2021 MRE Share Incentive Plan, and the 2021 MRE Share Incentive Plan becoming effective, are conditional on both of the following conditions (the “**Conditions**”) being fulfilled:

- (a) the passing of a resolution by the MRE Board approving the 2021 MRE Share Incentive Plan; and
- (b) the passing of resolutions by the Melco Board and the Melco Shareholders approving the 2021 MRE Share Incentive Plan.

The MRE Compensation Committee has four members who are all independent non-executive directors of MRE, comprising Mr. Thomas Jefferson Wu, Mr. Alec Yiu Wa Tsui, Ms. Francesca Galante and Mr. John William Crawford. The MRE Compensation Committee is chaired by Mr. Thomas Jefferson Wu.

On 17 March 2021, the MRE Board approved the 2021 MRE Share Incentive Plan, and on 31 March 2021, the Melco Board approved the 2021 MRE Share Incentive Plan. Save for Mr. John William Crawford (an Independent Non-executive Director of the Company), none of the Melco Directors is a member of the MRE Compensation Committee.

None of the Melco Directors is considered to have a material interest in the proposed adoption of the 2021 MRE Share Incentive Plan by MRE, or is otherwise required to abstain from voting on, the Melco Board resolution in relation to the proposal. The Melco Board has approved the proposed adoption of the 2021 MRE Share Incentive Plan by MRE conditional upon the approval by the Melco Shareholders at the AGM.

LETTER FROM THE MELCO BOARD

As at the Latest Practicable Date, to the best of the Melco Directors' knowledge, information and belief, having made all reasonable enquiries, no Melco Shareholder has a material interest in the proposed adoption of the 2021 MRE Share Incentive Plan by MRE. As such, no Melco Shareholder is required to abstain from voting in favour of the resolution approving the proposed adoption of the 2021 MRE Share Incentive Plan by MRE at the AGM.

A copy of the 2021 MRE Share Incentive Plan will be available for inspection at the Company's registered office at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong during normal business hours not less than 14 days before the date of the AGM and at the AGM.

6. RECOMMENDATION

The Melco Board believes that the proposals mentioned above, including the proposals for re-election of Melco Directors, granting of the Issue Mandate and the Repurchase Mandate to the Melco Directors and the adoption of the 2021 MRE Share Incentive Plan by MRE are in the best interests of the Company and the Melco Shareholders as a whole.

In particular, the proposed adoption of the 2021 MRE Share Incentive Plan by MRE can align the interests of the MRE Participants with the interests of MRE and that the 2021 MRE Share Incentive Plan will provide a flexible and effective means to enable MRE to incentivize the members of the MRE Board, and employees and consultants of MRE and its parents and subsidiaries and related entities.

Accordingly, the Melco Board recommends the Melco Shareholders to vote in favour of the resolutions to be proposed at the AGM.

7. RESPONSIBILITY STATEMENT

This circular, for which the Melco Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Melco Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By order of the board of
Melco International Development Limited
Ho, Lawrence Yau Lung
Chairman and Chief Executive Officer

**Melco International Development Limited***(Incorporated in Hong Kong with limited liability)*Website: www.melco-group.com

(Stock Code: 200)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the annual general meeting (the “**AGM**”) of Melco International Development Limited (the “**Company**”) will be held at Rooms 1501-02, 15th Floor, Hong Kong Club Building, 3A Chater Road, Central, Hong Kong on 4 June 2021, Friday at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the directors and auditor for the year ended 31 December 2020.
2.
 - (a)
 - (i) To re-elect Mr. Evan Andrew Winkler as an executive director of the Company.
 - (ii) To re-elect Mr. Tsui Che Yin, Frank, who has served the Company for more than nine years, as an independent non-executive director of the Company.
 - (iii) To re-elect Ms. Karuna Evelyne Shinsho as an independent non-executive director of the Company.
 - (b) To authorize the board of directors to fix the remuneration of the directors of the Company.
3. To re-appoint auditor and to authorize the directors to fix the auditor’s remuneration.
4. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

ORDINARY RESOLUTION**“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares of the Company be and is hereby generally and unconditionally approved;

- (b) the aggregate number of shares of the Company which may be repurchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Code on Share Buy-backs pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the total number of shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this Resolution), and the said approval shall be limited accordingly;

- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever of the following first occurs:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiry of the period within which the next annual general meeting of the Company is required by the Companies Ordinance to be held; and
- iii. the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

- 5. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

- (I) **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company, to grant rights to subscribe for, or convert any security into, shares in the Company (including the issue of any securities convertible into shares, or options, warrants or similar rights to subscribe for any shares) and to make or grant offers, agreements and options which would or might require the exercise of such power(s) during and after the end of the Relevant Period, be and is hereby generally and unconditionally approved;

- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of any rights of subscription or conversion under any existing warrants, bonds, debentures, notes and other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company; (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the number of shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this Resolution); and
 - (bb) (if the directors of the Company are so authorized by a separate resolution of the shareholders of the Company) the number of shares of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the number of shares of the Company in issue at the date of passing this Resolution), and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly;
- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever of the following first occurs:

 - i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiry of the period within which the next annual general meeting of the Company is required by the Companies Ordinance to be held; and
 - iii. the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

- (II) “**THAT** the directors of the Company be and are hereby authorized to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as Resolution (I) in item 5 of the notice of this meeting in respect of the shares of the Company referred to in subparagraph (bb) of paragraph (b) of such resolution.”

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT** the adoption of the 2021 share incentive plan (the “**2021 MRE Share Incentive Plan**”) of Melco Resorts & Entertainment Limited (a subsidiary of the Company), a copy of which is produced at the meeting marked “A” and initialed by the chairman of the meeting for identification purpose, be and is hereby approved, and the directors of the Company be and are hereby authorized to execute such documents and take such action as they deem appropriate to implement and give effect to the 2021 MRE Share Incentive Plan.”

By order of the board of
Melco International Development Limited
Leung Hoi Wai, Vincent
Company Secretary

Hong Kong, 5 May 2021

Registered Office:
38th Floor, The Centrium
60 Wyndham Street
Central
Hong Kong

Notes:

1. A shareholder of the Company entitled to attend and vote at the AGM convened by the notice is entitled to appoint one or more proxies to attend and on a poll vote in his stead. A proxy need not be a shareholder of the Company.
2. In order to be valid, a form of proxy must be deposited at the Company's share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time appointed for holding the AGM (i.e. not later than 10:00 a.m. on 2 June 2021) or any adjournment thereof.
3. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 1 June 2021 to Friday, 4 June 2021 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 31 May 2021.
4. With regard to the resolution no. 2 above, the board of directors of the Company proposes that the retiring directors of the Company who will offer themselves for re-election at the AGM, namely, Mr. Evan Andrew Winkler, Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho be re-elected as directors of the Company. Details of these retiring directors of the Company are set out in Appendix II to the Company's circular to shareholders dated 5 May 2021 (the "**Circular**").
5. With regard to the resolution no. 4 above, the directors of the Company wish to draw the attention of the shareholders of the Company to the Circular which summarizes the more important provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") relating to the repurchase of shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") by a company. The present general mandate to repurchase shares given by the shareholders of the Company expires at the forthcoming AGM and, accordingly, a renewal of that general mandate is now being sought.
6. With regard to the resolution no. 5 above, the directors of the Company wish to state that, currently, they have no plans to issue any additional shares of the Company (other than the shares to be issued upon exercise of the share options pursuant to the share option scheme of the Company). The present general mandate to issue shares given by the shareholders of the Company expires at the forthcoming AGM and, accordingly, a renewal of that general mandate is now being sought.
7. In accordance with the Listing Rules, voting on the above resolutions will be taken by poll.
8. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or after 6:00 a.m. on the date of the AGM, or in the event that the COVID-19 situation requires the date of the AGM to be changed, the meeting will be automatically postponed or adjourned. The Company will post an announcement on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.melco-group.com) to notify shareholders of the Company of the date, time and venue of the rescheduled meeting.

9. Arrangements for precautionary measures for the AGM

To safeguard the health and safety of the shareholders of the Company and participants attending the AGM and to prevent the spreading of the COVID-19 pandemic, the Company will implement the following precautionary measures at the AGM:

(1) Compulsory body temperature checks

At the entrance to the venue, a compulsory body temperature check will be conducted on every person (including but not limited to, shareholder or proxy or corporate representative) attending the AGM. Any person with a body temperature above the reference range quoted by the Department of Health from time to time or who has any flu-like symptoms or is otherwise unwell will not be admitted to the venue.

(2) Submission of health declaration form

Every attendee (including but not limited to, shareholder or proxy or corporate representative) will have to submit a completed health declaration form prior to entry into the venue.

(3) Wearing of surgical face mask

Every attendee is required to wear surgical face mask at any time within the venue and to sit at a distance from other attendees. Please note that no masks will be provided at the venue and attendees should bring and wear their own masks.

(4) Appropriate distancing and spacing in line with the guidance from the Government of the Hong Kong Special Administrative Region will be maintained and as such, the Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding.

(5) No distribution of gifts and no provision of refreshments.

Attendees are requested to observe and practise good personal hygiene at all times at the venue. To the extent permitted under law, the Company reserves the right to deny entry into the venue or require any person to leave the venue so as to ensure the health and safety of the attendees at the AGM.

There will be no distribution of gifts and/or provision of refreshments at the AGM. All sums earmarked for such purposes have been donated to The Community Chest of Hong Kong to support the elderly who were affected by COVID-19 in Hong Kong.

To safeguard the health and safety of shareholders and to prevent the spreading of the COVID-19 pandemic, the Company would like to encourage the shareholders to appoint the chairman of the AGM as his/her proxy to vote on the resolutions and to return his/her form of proxy by the time specified above (i.e. not later than 10:00 a.m. on 2 June 2021), instead of attending the AGM in person.

For those non-registered holders whose shares are held in the Central Clearing and Settlement System, they are strongly encouraged to vote through HKSCC Nominees Limited by giving instructions to their brokers or custodians.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the AGM arrangements at short notice and implement further precautionary measures, shareholders should check the Company's website at www.melco-group.com for future announcements and updates on the AGM arrangements.

The biographical details of the retiring Melco Directors who will offer themselves for re-election at the AGM are set out below:

(1) Mr. Evan Andrew Winkler

Mr. Winkler, aged 46, joined the Company as Managing Director in August 2016 and in May 2018, he assumed the role of President and Managing Director of the Company. Mr. Winkler is also a member of the Executive Committee, Regulatory Compliance Committee and Finance Committee of the Company and a director of various subsidiaries of the Company. He is currently a director and president of MRE, a company listed on the Nasdaq Global Select Market in the United States, and a director of Studio City International Holdings Limited, a company listed on the New York Stock Exchange in the United States.

Before joining the Company, Mr. Winkler served as a managing director at Moelis & Company, a global investment bank. Prior to that, he was a managing director and co-head of technology, media and telecommunications M&A at UBS Investment Bank. Mr. Winkler has extensive experience in providing senior level advisory services on mergers and acquisitions and other corporate finance initiatives, having spent nearly two decades working on Wall Street. He holds a bachelor's degree in Economics from the University of Chicago.

Save as disclosed above, Mr. Winkler does not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years and does not hold any other positions with the Company or other members of the Group. Mr. Winkler has confirmed that he does not have any relationship with any Melco Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules).

Mr. Winkler has a service contract with Melco Services Limited, a wholly-owned subsidiary of the Company, which may be terminated by either party by written notice of not less than six months. His directorship is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. On 6 September 2019, the Company reformulated Mr. Winkler's remuneration package by granting Mr. Winkler 14,200,000 share options (at an exercise price of HK\$18.96 per Melco Share) and 4,879,000 share award of the Company (collectively, the **"Equity Award"**) to replace the cash portion of his remuneration for the period from 1 October 2019 to 30 June 2022 (the **"Relevant Period"**) and his annual discretionary bonus and his entitlement to any annual discretionary equity grant for the period from 1 January to 30 September 2019 and the Relevant Period. The vesting schedule of the Equity Award is one-third each on 30 June 2020, 30 June 2021 and 30 June 2022, respectively. Mr. Winkler's remuneration package was determined by reference to his duties and responsibilities with the Company, together with a view to recognize his valuable contributions to the business the Group since joining and is in alignment with the Company's objective of incentivizing Mr. Winkler to drive further significant price growth in the Melco Shares going forward. Mr. Winkler's total emoluments received for the year ended 31 December 2020 are set out on pages 152 and 153 of the Company's 2020 annual report.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Winkler has (1) personal interests of 4,506,002 Melco Shares, 20,921,000 underlying Melco Shares in respect of share options granted under the share option scheme of the Company and 3,322,000 underlying Melco Shares in respect of awarded shares granted under the share incentive award scheme of the Company; and (2) personal interests of 89,883 shares of MRE, an associated corporation of the Company and 91,161 underlying shares in respect of restricted shares granted by MRE. Save as disclosed above, Mr. Winkler does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Winkler has confirmed that there are no other matters which need to be brought to the attention of the Melco Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules in respect of his re-election.

(2) Mr. Tsui Che Yin, Frank

Mr. Tsui, aged 63, was re-designated as an Independent Non-executive Director of the Company in July 2020. Before his re-designation, Mr. Tsui served as an Executive Director of the Company from November 2001 to June 2017 and a Non-executive Director of the Company from July 2017 to June 2020. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company. He is currently an independent non-executive director of Jinhui Holdings Company Limited, a company listed on the Stock Exchange, and a non-executive director of Jinhui Shipping and Transportation Limited, a company listed on the Oslo Stock Exchange. He was previously the chairman and a non-executive director of MelcoLot Limited (now known as Loto Interactive Limited) (resigned on 10 July 2017), a company listed on the Stock Exchange and a director of Mountain China Resorts (Holding) Limited (resigned on 28 April 2020), a company listed on the TSX Venture Exchange of Canada. Mr. Tsui has more than 30 years of experience in investment and banking industries and held senior management positions at various international financial institutions. Mr. Tsui was formerly the president of China Assets Investment Management Limited which is the investment manager of China Assets (Holdings) Limited.

Prior to Mr. Tsui's re-designation as an Independent Non-executive Director of the Company, the Company had demonstrated to the satisfaction of the Stock Exchange that Mr. Tsui is qualified to serve as an Independent Non-executive Director of the Company and is independent for the purposes of Rule 3.13 of the Listing Rules.

Save as disclosed above, Mr. Tsui does not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years and does not hold any other positions with the Company or other members of the Group. Mr. Tsui has confirmed that he does not have any relationship with any Melco Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules).

Mr. Tsui graduated with a bachelor's and a master's degree in business administration from The Chinese University of Hong Kong and with a law degree from the University of London. He also holds a doctoral degree in Business Administration from The University of Newcastle, Australia. He is a member of the Certified General Accountants Association of Canada and the Hong Kong Securities and Investment Institute.

Under a letter of appointment dated 1 July 2020, Mr. Tsui was appointed as an Independent Non-executive Director with the Company for a term of three years, which term will be automatically renewed for consecutive term(s) of three years, subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. Mr. Tsui is entitled to a director's fee of HK\$340,000 per annum under the letter of appointment for acting as an Independent Non-executive Director of the Company and chairman and/or a member of certain board committees of the Company, and he may also receive discretionary share options and discretionary share award. His total emoluments received for the year ended 31 December 2020 are set out on pages 152 and 153 of the Company's 2020 annual report. Such fee is determined by reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Tsui has personal interests of 7,180,660 Melco Shares, 1,158,000 underlying Melco Shares in respect of share options granted under the share option scheme of the Company and 17,000 underlying Melco Shares in respect of awarded shares granted under the share incentive award scheme of the Company. Save as disclosed above, Mr. Tsui does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Tsui has confirmed that there are no other matters which need to be brought to the attention of the Melco Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules in respect of his re-election.

(3) Ms. Karuna Evelyn Shinsho

Ms. Shinsho, aged 53, has been an Independent Non-executive Director of the Company since August 2018. She is also a member of the Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company.

Ms. Shinsho has extensive experience in the media industry in Japan, USA, Singapore and Hong Kong. From 1989 to 2001, she worked for NHK Television, Japan and New York, Asia Business News, Singapore and CNN International, Hong Kong, then in 2004 for Australian Broadcasting Corporation, Singapore, as an anchor and/or reporter. She was named “Highly Commended News Presenter/Anchor” at the Asian TV Awards in 1999.

Save as disclosed above, Ms. Shinsho does not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years and does not hold any other positions with the Company or other members of the Group. Ms. Shinsho has confirmed that she does not have any relationship with any Melco Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules).

Ms. Shinsho obtained a Master of Arts degree in International Affairs with a regional concentration in East Asia from the School of International and Public Affairs, Columbia University in New York and a Bachelor of Arts degree (cum laude) in Political Science from the Institute of Comparative Culture, Sophia University in Japan.

Under the letter of appointment dated 27 August 2018, Ms. Shinsho was appointed as an Independent Non-executive Director of the Company for a term of three years, which term will be automatically renewed for consecutive term(s) of three years, subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. Ms. Shinsho is entitled to a director’s fee of HK\$320,000 per annum for acting as an Independent Non-executive Director of the Company and members of certain board committees of the Company, and she may also receive discretionary share options and discretionary share award. Her total emoluments received for the year ended 31 December 2020 are set out on pages 152 and 153 of the Company’s 2020 annual report. Such emoluments are determined by reference to her duties and responsibilities with the Company, the Company’s performance and the prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Ms. Shinsho has personal interests of 15,934 Melco Shares, 106,000 underlying Melco Shares in respect of share options granted under the share option scheme of the Company and 19,000 underlying Melco Shares in respect of awarded shares granted under the share incentive award scheme of the Company. Save as disclosed above, Ms. Shinsho does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Shinsho has confirmed that there are no other matters which need to be brought to the attention of the Melco Shareholders in connection with her re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules in respect of her re-election.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate and also constitutes the memorandum as required under section 239 of the Companies Ordinance.

1. LISTING RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange, subject to certain restrictions, the most important of which are summarized below:

- (a) The shares to be repurchased by a company must be fully paid-up.
- (b) The company has previously sent to its shareholders an explanatory statement complying with the Listing Rules.
- (c) All on-market repurchase of shares by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors of the company to make such repurchase, and a copy of such resolution together with the necessary documentation have been delivered to the Stock Exchange in accordance with the Listing Rules.

2. LIMIT OF POSSIBLE REPURCHASE OF SHARES

As at the Latest Practicable Date, the number of Melco Shares in issue was 1,516,142,755. Subject to the passing of the ordinary resolution and on the basis that no further Melco Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 151,614,275 Melco Shares (representing 10% of the total number of Melco Shares in issue at the date of passing the resolution).

3. REASON FOR REPURCHASES

The Melco Directors believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and the Melco Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in future when depressed market conditions arise, repurchases of Melco Shares may support the prices of Melco Shares and lead to an enhancement of the net asset value of the Company and/or its earnings per Melco Share. It will then be beneficial to those Melco Shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Melco Shares repurchased by the Company.

4. FUNDING OF REPURCHASES

In repurchasing Melco Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the laws of Hong Kong and the Listing Rules. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2020) in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Melco Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Melco Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The following table shows the highest and lowest prices at which the Melco Shares have been traded on the Stock Exchange in each of the previous twelve months before the Latest Practicable Date:

Month	Highest HK\$	Lowest HK\$
2020		
April	14.90	10.64
May	15.48	13.50
June	17.72	14.72
July	17.00	13.48
August	18.16	14.26
September	17.62	13.10
October	13.70	11.90
November	15.76	12.66
December	16.46	14.44
2021		
January	15.40	12.96
February	17.28	13.50
March	17.50	15.28
April (up to the Latest Practicable Date)	16.64	15.10

6. EFFECT OF TAKEOVERS CODE

The Melco Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the Companies Ordinance.

If as a result of a share repurchase, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder, or a group of shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. As at the Latest Practicable Date, (a) Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited and Maple Peak Investments Inc. (all of which are owned by Mr. Ho, Lawrence Yau Lung ("**Mr. Lawrence Ho**") and/or persons and/or trusts associated with Mr. Lawrence Ho) and Mr. Lawrence Ho are together beneficially interested in 37.22% of the issued Melco Shares; (b) L3G Holdings Inc., a company controlled by a discretionary family trust, the beneficiaries of which include Mr. Lawrence Ho and his immediate family members, is holding 20.62% of the issued Melco Shares; (c) Ms. Lo Sau Yan, Sharen ("**Mrs. Ho**"), spouse of Mr. Lawrence Ho, is beneficially interested in 0.28% of the issued Melco Shares. and (d) the associates of Mr. Lawrence Ho are together beneficially interested in 0.03% of the issued Melco Shares. For the purposes of the Takeovers Code, Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited, Maple Peak Investments Inc., L3G Holdings Inc., Mr. Lawrence Ho, Mrs. Ho and the associates of Mr. Lawrence Ho (the "**Concert Group**") are deemed to be acting in concert and are taken to have interests in a total of 58.15% of the issued Melco Shares.

In the event that the Melco Directors exercise in full the power to repurchase Melco Shares under the Repurchase Mandate, the shareholding of the Concert Group would be increased to approximately 64.61% of the issued Melco Shares. The Melco Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. The Company, however, has no intention to exercise the Repurchase Mandate to the effect that it will result in the public float to fall below 25% or such other minimum percentage prescribed by the Listing Rules from time to time.

7. MELCO DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Melco Directors nor, to the best of their knowledge having made reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention, in the event that the Repurchase Mandate is approved by the Melco Shareholders, to sell Melco Shares to the Company.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has any present intention to sell Melco Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Melco Shareholders.

8. UNDERTAKING OF THE MELCO DIRECTORS

The Melco Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed Repurchase Mandate in accordance with the Listing Rules, the Companies Ordinance and the regulations set out in the Articles of Association.

9. REPURCHASE OF SHARES

The Company has not purchased any of the Melco Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date except that the trustee of the Company's Share Purchase Scheme, purchased on the Stock Exchange a total of 2,495,000 Melco Shares at a total consideration of approximately HK\$30,767,000 to satisfy the award of shares to selected participants pursuant to the terms of the rules and trust deed of such Share Purchase Scheme.

The following is a summary of the principal terms of the 2021 MRE Share Incentive Plan proposed to be approved at the AGM. This summary does not form part of, nor is it intended to affect the interpretation of, the rules of the 2021 MRE Share Incentive Plan:

- A. Purpose.** The purpose of the 2021 MRE Share Incentive Plan is to promote the success and enhance the value of MRE, by linking the personal interests of the members of the MRE Board, and employees and consultants of MRE, its parents, its subsidiaries and its related entities to those of MRE's shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to MRE's shareholders. The 2021 MRE Share Incentive Plan is further intended to provide flexibility to MRE in its ability to motivate, attract, and retain the services of members of the MRE Board, and employees and consultants upon whose judgment, interest and special effort the successful conduct of MRE's operation is largely dependent.
- B. Types of Awards.** The awards MRE may grant under the 2021 MRE Share Incentive Plan include options, restricted shares, share appreciation rights, dividend equivalents, share payments, deferred shares and restricted share units. For the purposes of this paragraph:
- (a) restricted shares mean MRE Shares which are subject to such restrictions on transferability and other restrictions as the MRE Compensation Committee may impose (including, without limitation, limitations on the right to vote restricted shares or the right to receive dividends on the restricted shares). Unvested restricted shares are subject to forfeiture upon termination of employment or service during the restriction period, unless otherwise determined or waived by the MRE Compensation Committee;
 - (b) share appreciation rights mean rights to receive an amount determined by multiplying the difference obtained by, subtracting the MRE Exercise Price per MRE Share of the share appreciation right from the MRE Fair Market Value of a MRE Share on the date of exercise of the share appreciation right by the number of MRE Shares with respect to which the share appreciation right shall have been exercised, subject to any limitations the MRE Compensation Committee may impose. The MRE Compensation Committee shall determine the time or times at which a share appreciation right may be exercised in whole or in part (provided that the term of the right shall not exceed 10 years). The MRE Compensation Committee shall also determine the conditions, if any, that must be satisfied before all or part of a share appreciation right may be exercised. The MRE Compensation Committee may provide in the MRE Award Agreement evidencing the grant of a share appreciation right that the MRE Compensation Committee, in its sole discretion, shall have the right to substitute an option for such share appreciation right at any time prior to or upon exercise of such share appreciation right, provided that such option shall (i) be exercisable for the same number of MRE Shares that such substituted share appreciation right would have been exercisable for and (ii) shall have the same exercise price as such substituted share appreciation right;
 - (c) dividend equivalents mean rights to receive the equivalent value (in cash or MRE Shares) of dividends paid on MRE Shares;

- (d) share payments mean a payment in the form of MRE Shares, or an option or other right to purchase MRE Shares, as part of any bonus, deferred compensation or other arrangement made in lieu of all or any portion of base salary, bonus or other cash compensation otherwise payable to a MRE Participant;
- (e) deferred shares mean a right to receive a specified number of MRE Shares during specified time periods; and
- (f) restricted share units mean units of MRE Shares which are not fully vested until certain terms and conditions (including, if applicable, the payment of the applicable purchase price to MRE) as determined by the MRE Compensation Committee, are met. On the maturity date specified by the MRE Compensation Committee to be applicable to a grant of restricted share units (which shall be no earlier than the vesting date of such units), MRE shall transfer one unrestricted, fully transferable MRE Share for each restricted share unit scheduled to be paid out on such date and not previously forfeited).

Options over new MRE Shares are subject to Chapter 17 of the Listing Rules. All other types of MRE Awards (being options over MRE Shares that are not new shares, restricted shares, share appreciation rights, dividend equivalents, share payments, deferred shares and restricted share units) are not subject to Chapter 17 of the Listing Rules.

Where any MRE Award is proposed to be granted to a connected person of the Company, the Company will comply with the requirements under Chapter 14A of the Listing Rules as may be applicable to such grant.

- C. Eligible Participants.** Persons eligible to participate in the 2021 MRE Share Incentive Plan include members of the MRE Board, and employees and consultants of MRE, any parent or subsidiary or any related entity of MRE that the MRE Compensation Committee designates as a related entity¹ for the purposes of the 2021 MRE Share Incentive Plan. The MRE Compensation Committee may, from time to time, select from among all eligible individuals, those to whom awards may be granted and shall determine the nature and amount of each award. The basis of eligibility of any MRE Participant(s) for the grant of any option under the 2021 MRE Share Incentive Plan shall be determined by the MRE Compensation Committee from time to time, based on who, in the opinion of the MRE Compensation Committee, has contributed or will contribute to the development and growth of MRE and its subsidiaries. When determining the eligibility of any MRE Participant(s), the MRE Compensation Committee will take into account such factors as the MRE Compensation Committee may at its discretion consider appropriate on a case-by-case basis, including, but not limited to, each MRE Participant's contribution or future contribution to MRE and its subsidiaries and the need of MRE and its subsidiaries to develop, retain, motivate or otherwise maintain the business relationship with the relevant MRE Participant. The inclusion of

¹ *For the purposes of the 2021 MRE Share Incentive Plan, the scope of a "related entity" is expanded (from merely an entity in which MRE, any parent or subsidiary of MRE holds a substantial ownership interest in the 2011 MRE Share Incentive Plan) to include businesses and entities in which MRE, any parent or subsidiary of MRE has the power to direct its management or policies.*

external parties other than employees and directors as an eligible MRE Participant enables key business partners of MRE to gain vested interests in the long-term success of MRE, which would in turn help nurture a sustainable, long-term and mutually beneficial partnership that is strategically important to MRE's business. The inclusion of such classes of MRE Participants provides MRE and its subsidiaries with a more flexible means to encourage MRE Participants to work towards enhancing the value of MRE and its subsidiaries, for the benefit of MRE and its subsidiaries and the holders of MRE Shares as a whole.

- D. Maximum Number of Shares.** The maximum aggregate number of MRE Shares which may be issued pursuant to all MRE Awards under the 2021 MRE Share Incentive Plan and any other share incentive plan or other schemes of MRE shall not be more than 10% of the total number of MRE Shares in issue as at the Melco Approval Date. Please see "5. Adoption of the 2021 MRE Share Incentive Plan and Termination of the 2011 MRE Share Incentive Plan by MRE — The 2021 MRE Share Incentive Plan" in the Letter from the Melco Board in this circular for further details on the maximum number of MRE Shares which may be issued under the 2021 MRE Share Incentive Plan.
- E. Maximum Entitlement of MRE Participants.** If the MRE Compensation Committee determines to offer options to an eligible MRE Participant which exceed the limit of 1% of MRE Shares in issue within a 12-month period up to the date of grant, then (i) that grant shall be subject to (a) the issue of a circular by the Company to the Melco Shareholders which shall comply with the Listing Rules, any applicable law and any other exchange rules from time to time, and (b) the approval of Melco Shareholders in general meeting at which that eligible MRE Participant and his close associates (as defined in the Listing Rules) (or his associates (as defined in the Listing Rules) if the eligible MRE Participant is a connected person of the Company) shall abstain from voting, and (ii) unless provided otherwise in the Listing Rules, any applicable law or other exchange rules, the date of the meeting of the MRE Compensation Committee at which the MRE Compensation Committee resolves to grant the proposed options to that eligible MRE Participant shall be taken as the date of grant for the purposes of calculating the MRE Exercise Price to be set forth in the said circular.
- F. Option Periods and Payments.** The MRE Compensation Committee may in its discretion determine, subject to the expiration period of the 2021 MRE Share Incentive Plan, the period within which shares must be taken up under an option; the minimum period, if any, for which an option must be held before it can be exercised; and the amount, if any, payable on application or acceptance of the option.

- G. Plan Administration.** The MRE Compensation Committee will administer the 2021 MRE Share Incentive Plan and has the power to, among other actions, designate eligible participants, determine the number and types of awards to be granted, and set the terms and conditions of each award granted. The MRE Compensation Committee's decisions are final, binding, and conclusive for all purposes and upon all parties. In addition, compared to the 2011 MRE Share Incentive Plan, the 2021 MRE Share Incentive Plan contains a new provision that MRE may from time to time retain or appoint one or more trustee(s) and administrator(s) to assist in the administration of the 2021 MRE Share Incentive Plan. The functions of such appointed trustee shall include (but are not limited to) the receiving of funds from MRE and/or its subsidiaries from time to time for on-market purchase of MRE Shares, the holding of MRE Shares pending vesting of MRE Awards, the transfer of MRE Shares to and from such appointed administrator following vesting of MRE Awards and the execution of requests from MRE from time to time for the purpose of the 2021 MRE Share Incentive Plan. MRE may enter into such agreements or make such arrangements (including the establishment of a trust) as may be necessary in connection with the provisions in this paragraph. As at the Latest Practicable Date, no trustee has been appointed to assist in the administration of the 2021 MRE Share Incentive Plan. MRE does not at present intend to appoint a trustee to the 2021 MRE Share Incentive Plan.
- H. Award Agreement.** MRE Awards granted under the 2021 MRE Share Incentive Plan will be evidenced by an award agreement that sets forth the terms, conditions and limitations for each MRE Award.
- I. Exercise Price.** The MRE Compensation Committee may determine the exercise price, grant price or purchase price, if any, of any option.

Pursuant to Note (2) to Rule 17.03(9) of the Listing Rules, in the event that MRE seeks a separate listing of its shares on the Stock Exchange or any overseas stock exchange, the exercise price of any options granted after the Company has resolved to seek a separate listing of MRE on the Stock Exchange or such overseas stock exchange must not be lower than the new issue price. In particular, the exercise price of any options granted during the period commencing six months before the lodgment of Form A1 (or its equivalent for listing on GEM or such overseas stock exchange) by MRE up to the listing date of MRE shall be not lower than the new issue price of the listing.

- J. Terms of Awards.** The terms of each MRE Award shall be stated in the MRE Award Agreement. If the MRE Participant ceases to be eligible for any reason, the validity of the MRE Award shall depend on the terms and conditions of the MRE Award Agreement. An option will lapse automatically and may not be exercised upon the first to occur of the following events: (a) 10 years from the date of the grant, unless an earlier time is set out in the MRE Award Agreement; (b) three months after termination of service, subject to certain exceptions; (c) one year after the date of termination of service on account of disability or death; (d) date on which the participant ceases to be eligible by reason of termination of relationship with MRE and/or any of its subsidiaries on grounds that such participant has been guilty of serious misconduct or convicted of any criminal offence involving integrity or honesty; and (e) date on which the MRE Compensation Committee cancels the option.
- K. Transferability.** Rights in awards are personal to MRE Participants. Except as otherwise provided by the MRE Compensation Committee, no award shall be assigned, transferred, or otherwise disposed of by a MRE Participant other than by will or by the laws of descent and distribution.
- L. Adjustment.** The 2021 MRE Share Incentive Plan provides for adjustments in circumstances where there are changes in the capital structure of MRE: (I) In the case of options granted under the 2021 MRE Share Incentive Plan, in the event of a capitalization issue, rights issue, subdivision or consolidation of MRE Shares or reduction of share capital of MRE; or (II) in the case of MRE Awards other than options (“**Other MRE Awards**”) granted under the 2021 MRE Share Incentive Plan, in the event of any extraordinary dividend, stock dividend, dividend in property other than cash, liquidating dividend, share split, combination or exchange of MRE Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization, reorganization, reincorporation, partial or complete liquidation, reclassification, merger, consolidation, separation, split-up, spin-off, combination, exchange of MRE Shares, warrants or rights offering to purchase MRE Shares at a price substantially below the MRE Fair Market Value or other distribution (other than normal cash dividends) of MRE’s assets to its shareholders, change in corporate structure or any other similar equity restructuring transaction or other change affecting the number of MRE Shares or the share price of a MRE Share.

The MRE Compensation Committee shall make proportionate and equitable adjustments to reflect such change with respect to: (a) the class(es), aggregate number and types of securities that may be issued under the 2021 MRE Share Incentive Plan, unless and except to the extent any such adjustment otherwise takes effect automatically in accordance with the terms of the 2021 MRE Share Incentive Plan; (b) the terms and conditions of any outstanding MRE Awards; and (c) the grant price or exercise price per unit of security for any outstanding MRE Awards, in order to preserve, but not increase, the benefits or potential benefits intended to be made available under the 2021 MRE Share Incentive Plan.

Any adjustment described in this paragraph in relation to options must give a MRE Participant the same proportion of the equity capital of MRE as to which that MRE Participant was previously entitled, and any adjustments so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange but no such adjustments may be to the extent that a MRE Share would be issued

at less than its nominal value. An issue of MRE Shares as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In addition, other than any adjustment made on a capitalisation issue, an independent financial adviser or the auditors of MRE shall confirm to the board of directors of MRE in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and such applicable guidance and/or such other requirements prescribed under the Listing Rules from time to time.

- M. Rights Attached to Shares.** No MRE Award gives the MRE Participant any right of a MRE shareholder, unless and until MRE Shares are in fact issued to such person in connection with such MRE Award. With respect to any payments not yet made to a MRE Participant pursuant to a MRE Award, nothing contained in the 2021 MRE Share Incentive Plan or any MRE Award Agreement shall give the MRE Participant any rights that are greater than those of a general creditor of MRE or any of its subsidiaries.

Except as expressly provided in or authorized by the 2021 MRE Share Incentive Plan, no MRE Participant shall have any rights by reason of any subdivision or consolidation of MRE Shares of any class, the payment of any dividend, any increase or decrease in the number of MRE Shares of any class or any dissolution, liquidation, merger, or consolidation of MRE or any other corporation. Except as expressly provided in the 2021 MRE Share Incentive Plan or pursuant to any action of the MRE Compensation Committee under the 2021 MRE Share Incentive Plan, no issuance by MRE of MRE Shares of any class or securities convertible into MRE Shares of any class shall affect, and no adjustment by reason thereof shall be made to the number of MRE Shares subject to a MRE Award or the grant price or exercise price of any MRE Award.

- N. Change in Control.** Upon (i) the transfer of beneficial ownership of securities possessing more than 50% of the total combined voting power of MRE's outstanding securities, however acquired, or (ii) the consummation of a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of MRE and its subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of MRE and its subsidiaries to an entity, more than 50% of the combined voting power of the voting securities of which are owned by MRE's shareholders in substantially the same proportions as their ownership of the outstanding voting securities of MRE immediately prior to such sale, lease, license or other disposition; or the individuals who, as of the Effective Date, are members of the MRE Board, cease for any reason to constitute at least 50% of the MRE Board; each MRE Award will terminate, unless the MRE Award is continued, or is assumed or replaced by the successor entity. If the successor entity assumes the MRE Award or replaces it with a comparable award, or replaces the award with a cash incentive program and provides for subsequent payout, the replacement award or cash incentive program will automatically become fully vested, exercisable and payable, as applicable, immediately upon termination of the MRE Participant's employment without cause within 13 months² of the change in control. If the MRE Award is neither assumed nor replaced, it shall become fully vested and exercisable and released from any repurchase or forfeiture rights immediately prior to the effective date of such change in control, provided that the MRE Participant remains eligible on the specified effective date of the change in control.

² 12 months in the 2011 MRE Share Incentive Plan.

- O. Amendment and Termination.** Subject to applicable law, with the approval of MRE Board, the MRE Compensation Committee may terminate, amend or modify the 2021 MRE Share Incentive Plan, except that Melco Shareholders' approval is required (other than alterations that take effect automatically under the terms of the 2021 MRE Share Incentive Plan) for any amendment to the 2021 MRE Share Incentive Plan that: (i) increases the number of MRE Shares available under the 2021 MRE Share Incentive Plan for the grant of options (other than any adjustment described in paragraph "L. Adjustment" above in this Appendix IV), (ii) alters the provisions of the 2021 MRE Share Incentive Plan in respect of options which relate to the matters set out in Rule 17.03 of the Listing Rules to the advantage of MRE Participants or persons eligible to participate in the 2021 MRE Share Incentive Plan, (iii) changes the authority of the MRE Board, directors of MRE or the MRE Compensation Committee in relation to any alteration to the terms of the 2021 MRE Share Incentive Plan relating to options, or (iv) relates to options and is of a material nature. Any amendments to provisions of the 2021 MRE Share Incentive Plan relating to MRE Awards other than options (including restricted shares, share appreciation rights, dividend equivalents, share payments, deferred shares and/or restricted share units) are not subject to the Listing Rules as at the date of adoption of the 2021 MRE Share Incentive Plan and may be made without Melco Shareholders' approval, unless and except to the extent that the Listing Rules are subsequently amended to require such approval. No termination, amendment, or modification of the 2021 MRE Share Incentive Plan shall adversely affect in any material way any MRE Award previously granted pursuant to the 2021 MRE Share Incentive Plan and other previous plans without the prior written consent of the MRE Participant. In the event of a termination of the 2021 MRE Share Incentive Plan, no further MRE Awards shall be granted but the provisions of the 2021 MRE Share Incentive Plan shall remain in full force and effect in all other respects in respect of any MRE Awards granted prior thereto but not yet exercised at the time of termination. The appointment of any trustee or administrator described under paragraph "G. Plan Administration" above, and any subsequent amendment of their terms of appointment or the trusts upon which any such trustee is appointed, shall not constitute an amendment or modification of the 2021 MRE Share Incentive Plan. The amended terms of the 2021 MRE Share Incentive Plan or the options must comply with the relevant provisions of Chapter 17 of the Listing Rules.
- P. Cancellation of Options.** Except otherwise stated in the 2021 MRE Share Incentive Plan, any cancellation of options granted but not exercised must be approved in writing by the MRE Participants of the relevant options. Where MRE cancels options, the grant of new options to the same MRE Participant may only be made under the 2021 MRE Share Incentive Plan within the relevant limits and restrictions set out in the 2021 MRE Share Incentive Plan.
- Q. Expiration.** The 2021 MRE Share Incentive Plan will expire on the tenth anniversary of the Effective Date. No MRE Awards may be granted pursuant to the 2021 MRE Share Incentive Plan after that time. Any MRE Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the 2021 MRE Share Incentive Plan and the applicable Award Agreement.
- R. Vesting Schedule.** In general, the MRE Compensation Committee determines, or the MRE Award Agreement would specify, the vesting schedule.