



Melco Crown Entertainment
新濠博亞娛樂

Melco Crown Entertainment Limited

新濠博亞娛樂有限公司

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 6883)

COMPENSATION COMMITTEE CHARTER of the Compensation Committee (Amended and Restated)

This Compensation Committee Charter (this “**Charter**”) was adopted by the Board of Directors (the “**Board**”) of Melco Crown Entertainment Limited (the “**Company**”).

I. Purpose

The purpose of the Compensation Committee (the “**Committee**”) of the Board of the Company is to discharge the Board’s responsibilities relating to compensation of the Company’s executives, including by designing (in consultation with management), recommending to the Board for approval, and evaluating the compensation plans, policies and programs of the Company. The Committee shall recommend compensation programs that are designed to encourage high performance, promote accountability and assure that the interests of employees and management are aligned with the business strategy of the Company and the interests of the Company’s shareholders.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board, in relation to matters that the Board believes are appropriate for consideration by the Committee and consistent with this Charter, as amended from time to time, and the Company’s Memorandum and Articles of Association, as amended from time to time (the “**Articles**”). The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

II. Membership

The Committee shall be comprised of three or more directors, each of whom, as determined by the Board, (a) satisfies the independence requirements of Rule 10C-1 under the U.S. Securities Exchange Act of 1934, as amended, the NASDAQ Global Select Market and The Rules (the “**Listing Rules**”) Governing The Listing of Securities on The Stock Exchange of

Hong Kong Limited (the “**Stock Exchange**”), and (b) has experience, in the business judgment of the Board, that would be helpful in addressing the matters delegated to the Committee. The Committee shall be chaired by an independent non-executive director and comprise a majority of independent non-executive directors. The Board shall approve and provide written charter for the Committee which clearly establishes its authority and duties. If the Company fails to set up a compensation committee or at any time has failed to meet these requirements, it shall immediately publish an announcement containing the relevant details and reasons and set up a compensation committee within three months of such failure.

The initial members of the Committee, including the chair (the “**Chair**”) of the Committee, shall be appointed by the Board and thereafter the members of the Committee, including the Chair of the Committee, shall be appointed by the Board after consideration of the recommendation of the Nominating and Corporate Governance Committee. Members of the Committee shall serve at the pleasure of the Board for such term or terms as the Board may determine. Committee members may be removed from the Committee, with or without cause, by the Board. In determining whether a director is eligible to serve on the Committee, the Board shall consider whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company to determine whether such affiliation would impair the director's judgment as a member of the Committee.

Members of the Committee shall not accept directly or indirectly any consulting, advisory or other compensatory fee (which does not include fees received as a member of the Board, the Committee or any other Board committee or fixed compensation under a retirement plan for prior services), from the Company or any of its subsidiaries.

III. Structure and Operations

The Chair (or in his or her absence, a member designated by the Chair or nominated by the other members of the Committee) shall preside at each meeting of the Committee and set the agenda for each Committee meeting. The Chair shall provide notice of any Committee meetings to each member at least three (3) days prior to the scheduled date of such meeting and set forth the date, place, and agenda of the meeting. The notice requirements may be waived with the written or oral consents thereon of all of the members. The presence of more than 50% of all members shall constitute a quorum. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution or other Committee action.

The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Articles or this Charter.

The Committee shall meet on a regularly scheduled basis at least two times per year and more frequently as the Chair deems necessary or desirable. A meeting of the Committee may be conducted in person or via telephone conference or similar communications equipment where all meeting participants can hear one another. Minutes of the meetings shall be kept by a person designated by the Chair. Draft and final versions of the minutes of meetings shall be sent to all Committee members for their comments and records respectively, in both cases within a reasonable time after the meetings.

All non-management directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, the internal auditor, any other financial personnel employed or retained by the Company or any other person whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Company's Chief Executive Officer (the "CEO") may not be present during voting or deliberations concerning his or her compensation, and the Committee may exclude from its meetings any person who is not a Committee member, including but not limited to, any non-management director who is not a member of the Committee.

IV. Duties and Responsibilities

The Committee's duties and responsibilities shall include each of the items enumerated in this Section IV and such other matters as may from time to time be delegated to the Committee by the Board.

- (1) The Committee, in consultation with senior management, shall make recommendations to the Board to establish the Company's general compensation philosophy, and in consultation with senior management, shall oversee the development and implementation of compensation programs. Notwithstanding the foregoing, the Committee's responsibilities are limited to oversight. It is not the responsibility of the Committee to implement the compensation programs (which is the responsibility of management) or to supervise management on a daily basis.
- (2) The Committee shall, at least annually, (a) make recommendations so as to allow the Board to review and approve corporate goals and objectives relevant to the compensation of the CEO, (b) make recommendations so as to allow the Board to evaluate the performance of the CEO in light of those goals and objectives, and (c) review and make recommendations to the Board with respect to the Company's general compensation scheme, incentive-compensation plans and equity-based plans and oversee the administration of these plans and discharge any responsibilities imposed on the Committee by any of these plans.
- (3) The Committee shall, at least annually, (a) make recommendations so as to allow the Board to review and approve all compensation arrangements for all non-executive directors, and (b) to review and approve, or otherwise determine, with delegated responsibility, or make recommendations to the Board on, all compensation arrangements for individual executive directors and executive officers. "**Executive officers**" shall include the CEO and senior executives reporting to the CEO (including the Chief Financial Officer, the Chief Operating Officer, the Chief Legal Officer, the Chief Human Resources/Corporate Social Responsibility Officer, and the Executive Vice President of Construction and Design). Such compensation arrangements include, without limitation: (i) the annual base salary or fee level; (ii) the annual incentive opportunity level; (iii) the long-term incentive opportunity level; (iv) director agreements, employment agreements, pension rights, severance arrangements (parachute payments), compensation payments (including any compensation payable for loss or termination of office or appointment) and change-

in-control agreements/provisions, in each case as, when and if appropriate; and (v) any benefits in kind. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors or the executive officers, employment conditions elsewhere in the group and desirability of performance-based remuneration. The Committee shall attempt to ensure that the Company's compensation scheme is effective in retaining and attracting key employees, implements business strategies and objectives for enhanced shareholder value, and is administered in a fair and equitable manner consistent with the Company's compensation philosophy. The Committee shall ensure that no director or any of his or her associates is involved in deciding his or her own remuneration.

- (4) The Committee shall review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with the relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company.
- (5) The Committee shall review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- (6) The Committee shall review and approve compensation arrangements relating to (a) dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate; (b) any benefits in kind received by any director or Executive Officer where such benefits are not provided for under the relevant contractual terms or employee handbook, and the value of such benefits received by any of them exceeds HK\$10,000 (or such other amount as the Committee may decide from time to time) in aggregate in a given financial year.¹
- (7) The Committee shall carry out its duties and responsibilities as set forth in the Share Incentive Plans of the Company, as may be amended from time to time.
- (8) The Committee shall oversee the Company's regulatory compliance with respect to compensation matters, including the Company's policies on restrictions on compensation plans, including loans to officers, and, as and when required, establishing performance goals.
- (9) The Committee shall report to the Board periodically on all matters for which the Committee has responsibility.
- (10) The Committee shall undertake and review with the Board an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this Charter and set forth the goals and objectives of the Committee for the upcoming year. Such evaluation shall include an assessment of whether the Committee members have sufficient time and resources to properly discharge their duties and responsibilities as members of the Committee. The

¹ The approval process prescribed in the General Policy on Related Party Transactions and Connected Transactions may also apply if the benefits are significant in value.

Committee shall conduct such performance evaluation in such manner as the Committee and the Board deem appropriate, and may report the results of its performance evaluation through an oral report by the Chair of the Committee or any other member of the Committee designated by the Committee to make such report.

- (11) The Committee shall annually review and reassess the adequacy of this Charter and recommend to the Board for approval such changes as the Committee believes are appropriate.
- (12) The Committee shall review the corporate governance report to be included in the Company's financial reports as required by the Listing Rules to ensure that the information contained therein concerning the Committee is accurate and complete.
- (13) The Committee shall exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.
- (14) The Committee shall manage and review executive officer and director indemnification and insurance matters.
- (15) The Committee shall manage and review any loans to officers and directors.
- (16) In the event of any overlap between the duties and responsibilities of the Committee (which is concerned with compensation matters), those of the Company's Audit Committee (which is concerned with the legal and regulatory oversight of the financial statements of the Company, including the oversight of the independent auditor, the review of the financial statements and related materials, the internal audit process and the procedure for receiving complaints regarding accounting, internal accounting controls or auditing matters) and those of the Company's Nominating and Corporate Governance Committee (which is concerned with matters outside the purview of the other two committees), all three committees shall use their respective best efforts to cooperate in the performance of such duties and responsibilities.
- (17) The Committee shall make available its charter, explaining its role and the authority delegated to it by the Board by including it on the Stock Exchange's website and the Company's website.
- (18) The Company shall disclose details of any remuneration payable to members of senior management by band in annual reports.

V. Authority and Resources

The Committee may, in its sole discretion, without further approval by the Board, select, retain and terminate a compensation consultant, legal counsel or other adviser and approve any compensation payable by the Company to such consultant, including the fees, terms and other conditions for the performance of such services as the Committee deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee. In addition, the Committee may, without further approval by the Board, obtain such advice and

assistance from independent professional advice (including outside accounting, legal or other advisors) as the Committee determines to be necessary or advisable in connection with the discharge of its duties and responsibilities hereunder. Any accounting, legal or other advisor retained by the Committee may, but need not, be in the case of an outside accountant, the same accounting firm employed by the Company for the purpose of rendering or issuing an audit report on the Company's annual financial statements, or in the case of outside counsel or other advisor, otherwise engaged by the Company for any other purpose.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any compensation consultant or outside accounting adviser or legal counsel or any other advisor retained by the Committee pursuant to the preceding paragraph.

The compensation consultant, outside counsel or any other advisor retained by, or providing advice to the Committee (other than the Company's in-house counsel) (the "**Consultant**") shall be independent as determined in the discretion of the Committee after considering the factors specified in Rule 5605(d)(3), which include the following:

- (1) the provision of any other services to the Company by the person that employs the Consultant;
- (2) the amount of fees received from the Company by the person that employs the Consultant, as a percentage of the total revenue of the person that employs the Consultant;
- (3) the policies and procedures of the person that employs the Consultant that are designed to prevent conflicts of interest;
- (4) any business or personal relationship of the Consultant with any member of the Committee;
- (5) any stock of the Company owned by the Consultant; and
- (6) any business or personal relationship of the Consultant or the person employing such Consultant with any executive officer of the Company.

The Committee may ask questions or request for information from any Compensation Committee of the Company's subsidiary (if any) in relation to any compensation matters as covered herein. In the event that the Committee receives any questions or issues raised by any Compensation Committee of the Company's subsidiary (if any) in relation to any such compensation matters, the Committee shall discuss such matters with such Compensation Committee as appropriate.

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Approved by the Board
Effective as of March 25, 2015